

# Congressional Record

## PROCEEDINGS AND DEBATES

OF THE

THIRD SESSION OF THE  
SIXTY-SEVENTH CONGRESS

OF

THE UNITED STATES  
OF AMERICA

AND INDEX



VOLUME LXIII—PART 1

NOVEMBER 20 TO DECEMBER 4, 1922



WASHINGTON  
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# Congressional Record.

## PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS THIRD SESSION.

### SENATE.

MONDAY, November 20, 1922.

The third session of the Sixty-seventh Congress commenced this day at the Capitol, in the city of Washington, in pursuance of the proclamation of the President of the United States of the 9th day of November, 1922.

The VICE PRESIDENT (CALVIN COOLIDGE, of Massachusetts) called the Senate to order at 12 o'clock noon.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, as we meet together in special session we humbly crave Thy blessing. Grant that every act may receive Thy help, and that in all the deliberations of these days nothing but good shall be the outcome of the discussions.

We would not forget the family that has been afflicted, and while we think of the sorrow in the vacancy here we humbly beseech Thee for abundant comfort, Thou God of all consolation to widow and children. Reveal Thyself to us along the path of life until the journey ends, to Thy glory. Through Jesus Christ our Lord. Amen.

#### THE PROCLAMATION.

The VICE PRESIDENT. The Secretary will read the proclamation of the President of the United States convening Congress in extraordinary session.

The Secretary (George A. Sanderson) read the proclamation, as follows:

BY THE PRESIDENT OF THE UNITED STATES—A PROCLAMATION.

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon on the 20th day of November, 1922, to receive such communication as may be made by the Executive:

Now, therefore, I, Warren G. Harding, President of the United States, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the city of Washington on the 20th day of November, 1922, at 12 o'clock noon, of which all persons who shall at that time be entitled to act as Members thereof are hereby required to take notice.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 9th day of November, in the year of our Lord 1922, and of the independence of the United States the one hundred and forty-seventh.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES,  
Secretary of State.

#### CALL OF THE ROLL.

Mr. LODGE. Mr. President, I make the point of no quorum. The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk (John C. Crockett) called the roll, and the following Senators answered to their names:

Ball	Ernst	McKinley	Smith
Borah	Fletcher	McNary	Smoot
Brandeggee	France	Nelson	Spencer
Broussard	Gooding	Nicholson	Stanfield
Bursum	Harrell	Norris	Sterling
Calder	Harris	Overman	Sutherland
Cameron	Harrison	Owen	Swanson
Capper	Hefflin	Page	Trammell
Caraway	Hitchcock	Pepper	Walsh, Mass.
Colt	Kellogg	Pittman	Walsh, Mont.
Culberson	Keyes	Ransdell	Warren
Cummins	Ladd	Reed, Pa.	Watson
Curtis	La Follette	Sheppard	Weller
Dial	Lodge	Shields	
Edge	McCumber	Shortridge	
Elkins	McKellar	Simmons	

Mr. HEFLIN. I wish to announce that my colleague [Mr. UNDERWOOD] is absent on account of illness.

Mr. HARRISON. I wish to announce that the senior Senator from Ohio [Mr. POMERENE] is absent in attendance upon the funeral of William G. Sharp, deceased, former ambassador to France.

The VICE PRESIDENT. Sixty-one Senators having answered to their names, a quorum is present.

#### NOTIFICATION TO THE HOUSE.

Mr. LODGE submitted the following resolution (S. Res. 357), which was read by the Assistant Secretary (Henry M. Rose), considered by unanimous consent, and agreed to:

*Resolved*, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled, and that the Senate is ready to proceed to business.

#### NOTIFICATION TO THE PRESIDENT.

Mr. LODGE submitted the following resolution (S. Res. 358), which was read, considered by unanimous consent, and agreed to:

*Resolved*, That a committee consisting of two Senators be appointed to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled, and that Congress is ready to receive any communication he may be pleased to make.

The Vice President appointed Mr. LODGE and Mr. SIMMONS as the committee on the part of the Senate.

#### HOOR OF DAILY MEETING.

Mr. LODGE submitted the following resolution (S. Res. 359), which was read, considered by unanimous consent, and agreed to:

*Resolved*, That the hour of daily meeting of the Senate be 12 o'clock meridian until otherwise ordered.

#### DEATH OF SENATOR THOMAS E. WATSON.

Mr. HARRIS. Mr. President, it is my sad duty to announce the death of my colleague, Hon. THOMAS E. WATSON, which occurred on September 26 in Washington, D. C.

His death was caused by overwork in his feeble condition. Time and time again I had urged him not to work so hard and not to remain so closely confined in the Senate, but he felt it his duty to be here battling for the common people whom he loved so well. No man in my State had so many personal friends, whose devotion to him made them followers at all times, and the number was larger at his death than ever before. He was the author of several histories which are regarded the world over as authorities. While a Member of the House he was the author of the first bill providing an appropriation for rural free mail delivery.

I shall not enumerate to-day his great services, but at the proper time I shall ask the Senate to set apart a day for memorial services.

I now submit the following resolutions and ask for their adoption.

The VICE PRESIDENT. The resolutions will be read.

The resolutions (S. Res. 360) were read, as follows:

*Resolved*, That the Senate has heard with deep regret and profound sorrow the announcement of the death of the Hon. THOMAS E. WATSON, late a Senator from the State of Georgia.

*Resolved*, That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased Senator.

*Resolved*, That as a further mark of respect to the memory of the deceased Senator the Senate do now adjourn.

The VICE PRESIDENT. The question is on agreeing to the resolutions submitted by the Senator from Georgia.

The resolutions were unanimously agreed to, and the Senate (at 12 o'clock and 12 minutes p. m.) adjourned until to-morrow, Tuesday, November 21, 1922, at 12 o'clock meridian.



## HOUSE OF REPRESENTATIVES.

MONDAY, November 20, 1922.

This being the day fixed by the proclamation of the President for the meeting of the third session of the Sixty-seventh Congress, the Members of the House of Representatives assembled in their Hall, and at 12 o'clock noon were called to order by the Speaker, Hon. FREDERICK H. GILLET.

## PRESIDENT'S PROCLAMATION.

The SPEAKER. The Clerk will read the proclamation of the President.

The Clerk read as follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION.

Whereas public interests require that the Congress of the United States should be convened in extra session at 12 o'clock noon on the 20th day of November, 1922, to receive such communication as may be made by the Executive:

Now, therefore, I, Warren G. Harding, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the city of Washington on the 20th day of November, 1922, at 12 o'clock noon, of which all persons who shall at that time be entitled to act as Members thereof are hereby required to take notice.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 9th day of November, in the year of our Lord 1922, and of the independence of the United States the one hundred and forty-seventh.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES,

Secretary of State.

## PRAYER.

The SPEAKER. The Chaplain will offer prayer.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our heavenly Father, in all the earth Thou art the King of kings and the Lord of lords. Glory be to Thee from everlasting to everlasting. From Thy throne of infinite wisdom look with great favor upon our country, upon our Christian institutions, upon our President, and give gracious protection and nurturing care to all our fellow citizens. The Lord be pleased to direct the deliberations of this assembly. Bless all with vigor of mind and strength of body, and keep us in the realm of Thy love and in the domain of Thy kingdom. In all councils may decisions rest upon truth and righteousness. Let all friendships be heightened and transfigured with Thee, all leisure be deepened into peace, and all uncertainty strengthened into hope. Shadow our families with Thy tender, loving care. Bless officers and pages and all others who serve. O may the joy of our lives be in the sunshine of Thy mercy breaking through the mystery of Thy providence. Through Jesus Christ our Lord. Amen.

## ROLL CALL BY STATES.

The SPEAKER. The Clerk will call the roll by States.

The Clerk called the roll by States, when the following Members answered to their names:

## ALABAMA.

John R. Tyson.  
Henry B. Steagall.  
Lamar Jeffers.  
William B. Bowling.

William B. Oliver.  
Edward B. Almon.  
George Huddleston.  
William B. Bankhead.

## ARIZONA.

Carl Hayden.

## ARKANSAS.

William J. Driver.  
William A. Oldfield.  
John N. Tillman.

Otis Wingo.  
Tilman B. Parks.

## CALIFORNIA.

Clarence F. Lea.  
John E. Raker.  
Charles F. Curry.  
Julius Kahn.

Arthur M. Free.  
Walter F. Lineberger.  
Philip D. Swing.

## COLORADO.

William N. Valle.

Charles B. Timberlake.

## CONNECTICUT.

E. Hart Fenn.

John Q. Tilson.

## DELAWARE.

Caleb R. Layton.

## FLORIDA.

Frank Clark.

John H. Smithwick.

Frank Park.  
Charles R. Crisp.  
William D. Upshaw.  
James W. Wise.

Burton L. French.

Martin B. Madden.  
James R. Mann.  
Elliott W. Sprout.  
John J. Gorman.  
Stanley H. Kunz.  
Fred A. Britten.  
Carl R. Chindblom.  
Charles E. Fuller.

John S. Benham.  
Everett Sanders.  
Richard N. Elliott.  
Merrill Moores.

William F. Kopp.  
Harry E. Hull.  
Cyrenus Cole.

Daniel R. Anthony, jr.  
Edward C. Little.  
Philip P. Campbell.

David H. Kincheloe.  
Charles F. Ogden.  
Arthur B. Rouse.  
Ralph Gilbert.

James O'Connor.  
H. Garland Dupré.  
Whitell P. Martin.  
John N. Sandlin.

Carroll L. Beedy.  
John E. Nelson.

T. Alan Goldsborough.  
Albert A. Blakeney.  
John Philip Hill.

Allen T. Treadway.  
Frederick H. Gillett.  
Calvin D. Paige.  
John Jacob Rogers.  
A. Platt Andrew.

Earl C. Michener.  
John C. Ketcham.  
Carl E. Mapes.  
Patrick H. Kelley.

Sydney Anderson.  
Charles R. Davis.  
Oscar E. Keller.

John E. Rankin.  
Bill G. Lowrey.  
Thomas U. Sisson.

Frank C. Millsbaugh.  
William W. Rucker.  
Henry F. Lawrence.  
Charles L. Faust.  
William O. Atkeson.

Albert W. Jefferis.  
Robert E. Evans.

Francis F. Patterson, jr.  
Elijah C. Hutchinson.  
Ernest R. Ackerman.  
Randolph Perkins.

Frederick C. Hicks.  
John Kissel.  
Thomas H. Cullen.  
Ardolph L. Kline.  
Michael J. Hogan.  
Andrew N. Petersen.  
Lester D. Volk.  
Meyer London.  
Christopher D. Sullivan.  
Nathan D. Perlman.  
John F. Carew.  
Walter M. Chandler.

Claude Kitchin.  
Edward W. Pou.  
Charles M. Stedman.

## GEORGIA.

Gordon Lee.  
Carl Vinson.  
William C. Lankford.  
William W. Larsen.

## IDAHO.

Addison T. Smith.

## ILLINOIS.

William J. Graham.  
Clifford Ireland.  
Frank H. Funk.  
Allen F. Moore.  
William A. Rodenberg.  
Thomas S. Williams.  
Richard Yates.

## INDIANA.

William R. Wood.  
Milton Kraus.  
Louis W. Fairfield.  
Andrew J. Hickey.

## IOWA.

Cassius C. Dowell.  
L. J. Dickinson.

## KANSAS.

Homer Hoch.  
James G. Strong.  
J. N. Tincher.

## KENTUCKY.

William J. Fields.  
John W. Langley.  
John M. Robison.

## LOUISIANA.

Riley J. Wilson.  
George K. Favrot.  
Ladislav Lazaro.  
James B. Aswell.

## MAINE.

Ira G. Hersey.

## MARYLAND.

J. Charles Linthicum.  
Sydney E. Mudd.  
Frederick N. Zihlman.

## MASSACHUSETTS.

Frederick W. Dallinger.  
Peter F. Tague.  
George Holden Tinkham.  
William S. Greene.

## MICHIGAN.

Louis C. Cramton.  
James C. McLaughlin.  
Roy O. Woodruff.  
Frank D. Scott.

## MINNESOTA.

Walter H. Newton.  
Harold Knutson.  
Andrew J. Volstead.

## MISSISSIPPI.

Ross A. Collins.  
Percy E. Quin.  
James W. Collier.

## MISSOURI.

Sidney C. Roach.  
Theodore W. Hukriede.  
Leonidas C. Dyer.  
Edw. D. Hays.  
Isaac V. McPherson.

## MONTANA.

Carl W. Riddick.

## NEBRASKA.

Melvin O. McLaughlin.  
William E. Andrews.

## NEVADA.

Samuel S. Arentz.

## NEW JERSEY.

Amos H. Radcliffe.  
Richard Wayne Parker.  
Frederick R. Lehlbach.  
Archibald E. Olpp.

## NEW YORK.

Isaac Siegel.  
Benjamin L. Fairchild.  
Hamilton Fish, jr.  
Charles B. Ward.  
James S. Parker.  
Frank Crowther.  
John D. Clarke.  
Walter W. Magee.  
Archie D. Sanders.  
Clarence MacGregor.  
Daniel A. Reed.

## NORTH CAROLINA.

Homer L. Lyon.  
Alfred L. Bulwinkle.

NORTH DAKOTA.  
George M. Young.



A. E. B. Stephens.  
Roy G. Fitzgerald.  
Simeon D. Fess.  
R. Clint Cole.  
William W. Chalmers.  
Israel M. Foster.  
Edwin D. Ricketts.  
John C. Speaks.

Alice M. Robertson.  
Charles D. Carter.

Willis C. Hawley.

William S. Vare.  
George S. Graham.  
Harry C. Ransley.  
George W. Edmonds.  
James J. Connolly.  
George P. Darrow.  
Thomas S. Butler.  
Henry W. Watson.  
William W. Griest.  
Clarence D. Coughlin.  
John Reber.  
Fred B. Gerner.  
Edgar R. Kiess.  
I. Clinton Kline.

W. Turner Logan.  
James F. Byrnes.  
Fred H. Dominick.

Charles A. Christopherson.  
Royal C. Johnson.

B. Carroll Reece.  
J. Will Taylor.  
Wynne F. Clouse.

John C. Box.  
Morgan G. Sanders.  
Sam Rayburn.  
Hatton W. Summers.  
Clay Stone Briggs.  
Daniel E. Garrett.  
Joseph J. Mansfield.

Frank L. Greene.

Schuyler Otis Bland.  
Joseph T. Deal.  
Andrew J. Montague.  
J. M. Hooker.

John F. Miller.  
Lindley H. Hadley.  
Albert Johnson.

Stuart F. Reed.  
Harry C. Woodyard.

Henry Allen Cooper.  
John M. Nelson.  
Florian Lampert.  
Joseph D. Beck.

## OHIO.

James T. Begg.  
Charles L. Knight.  
Joseph H. Himes.  
W. M. Morgan.  
John G. Cooper.  
Miner G. Norton.  
Harry C. Gahn.

## OKLAHOMA.

L. M. Gensman.  
James V. McClintic.

## OREGON.

Nicholas J. Sinnott.

## PENNSYLVANIA.

John M. Rose.  
Adam M. Wyant.  
Henry W. Temple.  
Milton W. Shreve.  
William H. Kirkpatrick.  
Nathan L. Strong.  
Harris J. Bixler.  
Stephen G. Porter.  
M. Clyde Kelly.  
John M. Morin.  
Guy E. Campbell.  
Thomas S. Crago.  
Anderson H. Walters.  
Joseph McLaughlin.

## SOUTH CAROLINA.

William F. Stevenson.  
Philip H. Stoll.  
Hampton P. Fulmer.

## SOUTH DAKOTA.

William Williamson.

## TENNESSEE.

Ewin L. Davis.  
Finis J. Garrett.  
Hubert F. Fisher.

## TEXAS.

James P. Buchanan.  
Tom Connally.  
Fritz G. Lanham.  
Harry M. Wurzbach.  
John N. Garner.  
Thomas L. Blanton.  
Marvin Jones.

## VERMONT.

Porter H. Dale.

## VIRGINIA.

James P. Woods.  
Thomas W. Harrison.  
R. Walton Moore.

## WASHINGTON.

John W. Summers.  
J. Stanley Webster.

## WEST VIRGINIA.

Leonard S. Echols.

## WISCONSIN.

Edward E. Browne.  
James A. Frear.  
Adolphus P. Nelson.

## WYOMING.

[At large.]

Frank W. Mondell.

The SPEAKER. Two hundred and eighty-one Members have answered to their names. A quorum is present.

## MEMBERS ELECT.

The SPEAKER. The following certificates of Members elect are on file:

Mr. JAMES H. MACLAFFERTY, sixth California district.  
Mr. A. R. HUMPHREY, sixth Nebraska district.  
Mr. CHARLES L. ABERNETHY, third North Carolina district.  
Mr. CLARENCE W. TURNER, seventh Tennessee district.  
Mr. MANN. Mr. Speaker, Mrs. WINNIFRED MASON HUCK has been elected as a Member of the House at large from the State of Illinois to fill the vacancy caused by the death of her father. There is no contest or question about her election. Her credentials have not yet arrived. I ask unanimous consent that she may now take the oath of office.

The SPEAKER. Is there objection to the request?  
There was no objection.

Mr. GREENE of Massachusetts. Mr. Speaker, Mr. CHARLES L. GIFFORD has been elected from the sixteenth Massachusetts district. He is present. There is no question about his election, no contest, but the certificate has not yet arrived. I ask unanimous consent that he may be sworn in.

The SPEAKER. Is there objection to the request?  
There was no objection.

Mr. MACLAFFERTY, Mrs. HUCK, Mr. GIFFORD, Mr. HUMPHREY of Nebraska, Mr. ABERNETHY, and Mr. TURNER appeared at the bar of the House and took the oath of office prescribed by law.

## NOTIFICATION TO THE PRESIDENT.

Mr. MONDELL. Mr. Speaker, I offer the following privileged resolution.

The SPEAKER. The gentleman from Wyoming offers a resolution which the Clerk will report.

The Clerk read as follows:

## House Resolution 440.

*Resolved*, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with the committee on the part of the Senate to notify the President of the United States that a quorum of each House is assembled and that Congress is ready to receive any communication that he may be pleased to make.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and the Speaker appointed as the committee on the part of the House Mr. MONDELL, Mr. MADSEN, and Mr. GARRETT of Tennessee.

## NOTIFICATION TO THE SENATE.

Mr. MADDEN. Mr. Speaker, I offer the following privileged resolution.

The SPEAKER. The gentleman from Illinois offers a resolution which the Clerk will report.

The Clerk read as follows:

## House Resolution 441.

*Resolved*, That the Clerk of the House inform the Senate that a quorum of the House of Representatives has appeared and that the House is ready to proceed with business.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

## HOUR OF DAILY MEETING.

Mr. CAMPBELL of Kansas. Mr. Speaker, I offer the following resolution.

The SPEAKER. The gentleman from Kansas offers a resolution, which the Clerk will report.

The Clerk read as follows:

## House Resolution 442.

*Resolved*, That until otherwise ordered the hour of daily meeting of the House of Representatives shall be 12 o'clock meridian.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

## LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BRAND, indefinitely, on account of serious illness (at the request of Mr. CRISP).

To Mr. BYRNS of Tennessee, indefinitely, on account of illness in his family (at the request of Mr. GARRETT of Tennessee).

To Mr. WEAVER, indefinitely, on account of illness (at the request of Mr. BULWINKLE).

To Mr. BURTON, for three days, on account of illness.

To Mr. HUMPHREYS of Mississippi, indefinitely, on account of illness.

To Mr. OSBORNE, indefinitely, on account of illness.

To Mr. DENISON, for 10 days, on account of important business.

To Mr. STEENERSON, indefinitely, on account of illness in his family.

To Mr. GALLIVAN, indefinitely, on account of illness in his family.

To Mr. MCFADDEN, for five days, on account of important business.

To Mr. DUNBAR, indefinitely, on account of serious illness (at the request of Mr. ELLIOTT).

To Mr. WILLIAMS of Texas, indefinitely, on account of illness.

To Mr. BLACK, for two weeks, on account of illness in his family.

To Mr. DRANE, indefinitely, on account of illness (at the request of Mr. BOWLING).

To Mr. JACOWAY, for one week, on account of illness in his family.

To Mr. SWANK, for one week, on account of illness in his family.

## DEATH OF SENATOR THOMAS E. WATSON, OF GEORGIA.

Mr. CRISP. Mr. Speaker, it becomes my painful duty to announce to the House that on the 26th of last September the distinguished Senator from Georgia, THOMAS E. WATSON, departed this life. At some future date I shall request the House

to set apart a date when friends of the distinguished Senator may be given an opportunity to pay testimony to his high character and public services. I offer the following resolutions.

The Clerk read the resolutions, as follows:

House Resolution 443.

*Resolved*, That the House has heard with profound sorrow of the death of the Hon. THOMAS E. WATSON, a Senator of the United States from the State of Georgia.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

The resolutions were agreed to.

DEATH OF REPRESENTATIVE CHARLES R. CONNELL, OF PENNSYLVANIA.

Mr. BUTLER. Mr. Speaker, it becomes my sad duty to announce the death of the Hon. CHARLES R. CONNELL, a Member of Congress from the State of Pennsylvania. His death occurred in the city of Scranton subsequent to the adjournment of the regular session of Congress. At the proper time I shall request the House to set apart a day when there may be tributes paid to his life and public services. I submit the following resolutions.

The Clerk read the resolutions, as follows:

House Resolution 444.

*Resolved*, That the House has heard with profound sorrow of the death of Hon. CHARLES R. CONNELL, a Representative from the State of Pennsylvania.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolutions were agreed to.

DEATH OF REPRESENTATIVE JOHN I. NOLAN, OF CALIFORNIA.

Mr. KAHN. Mr. Speaker, it is with profound sorrow that I announce to the Members of the House the death of my late colleague JOHN I. NOLAN, a Member of Congress from the State of California. He was chairman of the Committee on Labor and a member of the steering committee of this House. He died last Saturday morning at St. Mary's Hospital, San Francisco. At a later date I shall ask the House to set aside a day on which his public services can be properly commemorated. In the meantime I offer the following resolutions:

The Clerk read as follows:

House Resolution 445.

*Resolved*, That the House has heard with profound sorrow of the death of Hon. JOHN I. NOLAN, a Representative from the State of California.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolutions were agreed to.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, as a further mark of respect to the memory of the deceased Senator and Representatives, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 48 minutes p. m.) the House adjourned until to-morrow, Tuesday, November 21, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

694. A letter from the Public Printer, transmitting statement of travel performed by officers and employees of the Government Printing Office during the fiscal year ending June 30, 1922; to the Committee on Appropriations.

695. A letter from the Public Printer, transmitting the average number of employees of the Government Printing Office receiving increased compensation during the first four months of the fiscal year 1923; to the Committee on Appropriations.

696. A letter from the Secretary of the Navy, transmitting a draft of a bill to provide for the immediate needs of enlisted men upon discharge from the naval service for the good of the service; to the Committee on Naval Affairs.

697. A letter from the Secretary of the Navy, transmitting a draft of a proposed bill to grant leave of absence to officers and employees of the United States or of the District of Columbia when ordered to duty with the United States Naval Reserve Forces or the United States Marine Corps Reserve; to the Committee on Naval Affairs.

698. A letter from the Second Assistant Secretary of Labor, transmitting list of useless papers to be disposed of; to the Committee on Disposition of Useless Executive Papers.

699. A letter from the Secretary of Commerce, transmitting a detailed statement concerning the publications issued by the Department of Commerce during the fiscal year 1922; to the Committee on Printing.

700. A letter from the Secretary of State, transmitting request for the immediate passage of H. R. 8980, for the relief of Prospero Monterroso; to the Committee on Claims.

701. A letter from the Secretary of War, transmitting report of the American National Red Cross for the fiscal year ending June 30, 1922; to the Committee on Foreign Affairs.

702. A letter from the Acting Postmaster General, transmitting a statement showing the post offices where it was necessary to employ clerical assistance at a higher rate than \$1,200 a year and the amount authorized at each office; to the Committee on the Post Office and Post Roads.

703. A letter from the Public Printer, transmitting statement showing the purchases, exchanges, and repairs of type-writing machines in the Government Printing Office from July 1, 1921, to June 30, 1922; to the Committee on Appropriations.

704. A letter from the Second Assistant Secretary of Labor, transmitting detailed statement of the expenditures from the appropriations "Contingent expenses, Department of Labor, 1920," for the period from November 16, 1921, to June 30, 1922; "Contingent expenses, Department of Labor, 1921," for the period from November 16, 1921, to November 15, 1922; "Contingent expenses, Department of Labor, 1922," for the period from November 16, 1921, to November 15, 1922; and "Contingent expenses, Department of Labor, 1923," for the period from July 1, 1922, to November 15, 1922; to the Committee on Expenditures in the Department of Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FOCHT: Committee on the District of Columbia. H. R. 12172. A bill to regulate pawnbrokers and their business in the District of Columbia; without amendment (Rept. No. 1256). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HILL: A bill (H. R. 12815) to pay adjusted compensation in three years in cash to veterans of the World War, to provide money to pay such adjusted compensation, to amend the revenue act of 1921, and for other purposes; to the Committee on Ways and Means.

By Mr. BRITTEN: A bill (H. R. 12816) to provide adjusted compensation for veterans of the World War through a tax on the manufacture, importation, and sale of beer and light wines, and for other purposes; to the Committee on Ways and Means.

By Mr. GREENE of Massachusetts: A bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. CURRY: A bill (H. R. 12818) providing for the adjustment of claims against the Government railroad in the Territory of Alaska; to the Committee on the Territories.

By Mr. KAHN: A bill (H. R. 12819) to amend the grade percentages of enlisted men as prescribed in section 4b of the national defense act, as amended; to the Committee on Military Affairs.

Also, a bill (H. R. 12820) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department; to the Committee on Military Affairs.

By Mr. WURZBACH: A bill (H. R. 12821) making provisions for the improvement of the channel from Aransas Pass to Corpus Christi, Tex.; to the Committee on Appropriations.

By Mr. PARKS of Arkansas: A bill (H. R. 12822) to enlarge and improve the post-office building at Camden, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. KELLY of Pennsylvania: A bill (H. R. 12823) to provide for the establishment of motor-truck mail routes to facilitate the collection and delivery of food products; to the Committee on the Post Office and Post Roads.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 12824) to amend the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. JONES of Texas: A bill (H. R. 12825) amending section 1322 of the revenue act of 1921; to the Committee on Ways and Means.

By Mr. ROGERS: A bill (H. R. 12826) authorizing the President to declare an embargo on coal; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 12827) declaring an embargo on anthracite coal; to the Committee on Interstate and Foreign Commerce.

By Mr. MORIN: A bill (H. R. 12828) to create a department of physical training at the United States Military Academy; to the Committee on Military Affairs.



By Mr. WILLIAMS of Illinois: A bill (H. R. 12829) for the purchase of a site and for the erection of a post-office building at Eldorado, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. MADDEN: A bill (H. R. 12830) to forbid the payment of claims by the United States Shipping Board and/or the United States Shipping Board Emergency Fleet Corporation unless such claims are filed within a certain time; to the Committee on the Merchant Marine and Fisheries.

By Mr. SWING: A bill (H. R. 12831) to authorize the construction of a railroad bridge across the Colorado River near Yuma, Ariz.; to the Committee on Interstate and Foreign Commerce.

By Mr. MADDEN: Joint resolution (H. J. Res. 388) to repeal an appropriation for payment of claims for damages to and loss of private property included in the deficiency act approved September 22, 1922; to the Committee on Appropriations.

By Mr. ZIHLMAN: Joint resolution (H. J. Res. 389) authorizing the Interstate Commerce Commission to give priority in car service in the interest of equitable distribution of building materials intended for immediate consumption; to the Committee on Interstate and Foreign Commerce.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURROUGHS: A bill (H. R. 12832) granting an increase of pension to Mary F. Conway; to the Committee on Pensions.

By Mr. CHRISTOPHERSON: A bill (H. R. 12833) granting a pension to Gertrude A. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12834) for the relief of Vinson Slasor; to the Committee on Military Affairs.

By Mr. DYER: A bill (H. R. 12835) for the relief of E. S. Bailey; to the Committee on Claims.

Also, a bill (H. R. 12836) granting an increase of pension to Lucian Lindsey; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 12837) granting a pension to Elizabeth A. Hall; to the Committee on Invalid Pensions.

By Mr. KENNEDY: A bill (H. R. 12838) granting an increase of pension to Maria L. Westgate; to the Committee on Invalid Pensions.

By Mr. McPHERSON: A bill (H. R. 12839) granting a pension to Jerry M. Richardson; to the Committee on Pensions.

Also, a bill (H. R. 12840) granting an increase of pension to Louisa L. Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12841) granting a pension to Samuel T. King; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12842) granting a pension to Mollie F. Stinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12843) granting a pension to Abram Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12844) granting a pension to Leroy S. Klger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12845) granting a pension to William Karch; to the Committee on Pensions.

By Mr. MacGREGOR: A bill (H. R. 12846) granting a pension to Frank Karazewski; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12847) granting an increase of pension to Harry W. Feldman; to the Committee on Pensions.

By Mr. MORIN: A bill (H. R. 12848) to reimburse Michael F. Callaghan for injuries sustained in an accident with a Government-owned motor truck; to the Committee on Claims.

By Mr. MOORE of Illinois: A bill (H. R. 12849) granting an increase of pension to James H. Barker; to the Committee on Pensions.

By Mr. PURNELL: A bill (H. R. 12850) granting an increase of pension to Grover Colter; to the Committee on Pensions.

Also, a bill (H. R. 12851) granting a pension to Lavina H. Etnire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12852) granting a pension to Jesse Wilcox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12853) granting a pension to Frances E. Dunwoody; to the Committee on Invalid Pensions.

By Mr. RUCKER: A bill (H. R. 12854) granting a pension to James W. Fisher; to the Committee on Pensions.

Also, a bill (H. R. 12855) granting a pension to Freeman A. Burris; to the Committee on Invalid Pensions.

By Mr. ROBSON: A bill (H. R. 12856) granting an increase of pension to Cefie J. Cromer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12857) granting a pension to Sarah E. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12858) granting a pension to Litha I. Smith; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6399. By the SPEAKER (by request): Petition of E. L. Shepard, Frank Rieder, Raymond H. Bosworth, Mabel H. Benjamin, B. Little, George H. Zenner, C. A. Lehmann, G. C. Purdy, John W. Woodworth, and F. E. Latta, all of Chicago, Ill., urging an investigation of the prohibition enforcement in Chicago; to the Committee on the Judiciary.

6400. Also (by request), petition of the Presbytery of Dayton, Ohio, urging the passage of H. J. Res. 131; to the Committee on the Judiciary.

6401. Also (by request), petition of the Municipal Assembly of Dorado, P. R., indorsing Hon. E. Mont Reilly and his administration; to the Committee on Insular Affairs.

6402. Also (by request), petition of Northern Star Sisterhood, No. 107, of Monessen, Pa., favoring the passage of the Sterling-Towner bill; to the Committee on Education.

6403. Also (by request), petition of Kennedy Baptist Church, Kennedy, N. Y., favoring the passage of H. J. Res. 159; to the Committee on the Judiciary.

6404. Also (by request), petition of citizens' organizations of Lithuanian extraction in Springfield, Ill., opposing curtailing the rights of foreigners; to the Committee on Immigration and Naturalization.

6405. Also (by request), petition of citizens' organizations of Lithuanian extraction in Greater New York, opposing the passage of H. R. 10860; to the Committee on Immigration and Naturalization.

6406. Also (by request), petition of the Baptist Missionary Convention of the State of New York, favoring the passage of H. J. Res. 159; to the Committee on the Judiciary.

6407. Also (by request), petition of Franklin Post, No. 1, American Legion, of Ohio, opposing allowances of any kind to soldiers of the World War dishonorably discharged from the Army, Navy, or Marine Corps; to the Committee on Naval Affairs.

6408. Also (by request), petition of the First Church, Worcester, Mass., urging the passage of H. J. Res. 131; to the Committee on the Judiciary.

6409. Also (by request), petition of the First Baptist Church, South Bend, Ind., favoring the passage of H. J. Res. 159; to the Committee on the Judiciary.

6410. Also (by request), petition of the woman's auxiliary to the presiding bishop and council, Protestant Episcopal Church, New York, approving the work of the hostesses in the Army camps and posts; to the Committee on Appropriations.

6411. Also (by request), petition of the Fifty-second Congress of the American Prison Association, urging the passage of House bill 12123, for the establishment of an industrial reformatory at Camp Grant, Ill.; to the Committee on the Judiciary.

6412. Also (by request), petition of the Western Pennsylvania Ministerial Association of the Disciples of Christ, New Kensington, Pa., opposing war except for just principles; to the Committee on Foreign Affairs.

6413. By Mr. FENN: Petition of the Woman's Board of Missions of the Congregational Churches, for protection of peoples of the Near East; to the Committee on Foreign Affairs.

6414. By Mr. JOHNSON of Washington: Petition of the Thurston County Pomona Grange, Tumwater, Wash., opposing the ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

6415. By Mr. KELLY of Pennsylvania: Petition of Pittsburgh Chamber of Commerce, praying for changes in the immigration laws; to the Committee on Immigration and Naturalization.

6416. Also, petition of Cyprus Sisterhood, No. 65, Dames of Malta, Turtle Creek, Pa., and citizens of Pennsylvania, asking for the passage of the Towner-Sterling bill for the creation of a department of education; to the Committee on Education.

6417. By Mr. KENNEDY: Protest of citizens of Newport, R. I., of Greek and Armenian origin who served in armed forces of the United States in the World War, against the massacre of Christian inhabitants of Asia Minor by Turks; to the Committee on Foreign Affairs.

6418. By Mr. KISSEL: Petition of Street & Smith Corporation, New York, N. Y., favoring the passage of House bill 11965; to the Committee on the Post Office and Post Roads.



6419. By Mr. SWING: Petition of Fourth State Convention of the American Legion of California, favoring the passage of House bill 11449, for the protection and development of the lower Colorado River Basin; to the Committee on Rivers and Harbors.

## SENATE.

TUESDAY, November 21, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father and our God, we thank Thee for another day—another day of opportunity, another day of possibility—and we recognize the privilege of making this day potent with hallowed influences that we can serve better our generation by Thy will. We invoke Thy favor here this morning and ask Thee to direct the councils of the day to Thy great honor and glory. Through Christ our Lord. Amen.

The Vice President being absent, the President pro tempore, ALBERT B. CUMMINS, a Senator from the State of Iowa, took the chair.

JOSEPH S. FRELINGHUYSEN, a Senator from the State of New Jersey; FREDERICK HALE, a Senator from the State of Maine; A. OWSLEY STANLEY, a Senator from the State of Kentucky; JAMES W. WADSWORTH, Jr., a Senator from the State of New York; ATLEE POMERENE and FRANK B. WILLIS, the Senators from the State of Ohio, appeared in their seats to-day.

On request of Mr. LODGE and by unanimous consent, the reading of the Journal of yesterday's proceedings was dispensed with and the Journal was approved.

### NOTIFICATION TO THE PRESIDENT.

Mr. LODGE and Mr. SIMMONS appeared, and

Mr. LODGE said:

Mr. President, the committee appointed by the Senate to notify the President have attended to the duty assigned to them and have the honor to report to the Senate that they saw the President of the United States and that he informed them that it was his intention to address the Congress to-day at half past 12 in the Chamber of the House of Representatives.

### SENATORS FROM PENNSYLVANIA.

Mr. LODGE. Mr. President, I present the credentials of GEORGE WHARTON PEPPER, senior Senator elect from the State of Pennsylvania, and DAVID A. REED, junior Senator elect from the State of Pennsylvania, which I ask may be read.

The credentials were read and ordered to be filed, as follows:

IN THE NAME AND BY AUTHORITY OF THE  
COMMONWEALTH OF PENNSYLVANIA,  
Executive Department.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1922, GEORGE WHARTON PEPPER was duly chosen by the qualified electors of the State of Pennsylvania a Senator from said State to represent said State in the Senate of the United States until the 4th day of March, 1927.

Witness: His excellency our governor, and our seal hereto affixed at the city of Harrisburg, this 18th day of November, in the year of our Lord 1922.

[SEAL.]

By the governor:

BERNARD J. MYERS,

Secretary of the Commonwealth.

WM. C. SPROUL, Governor.

IN THE NAME AND BY AUTHORITY OF THE  
COMMONWEALTH OF PENNSYLVANIA,  
Executive Department.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1922, DAVID A. REED was duly chosen by the qualified electors of the State of Pennsylvania a Senator from said State to represent said State in the Senate of the United States until the 4th day of March, 1923.

Witness: His excellency our governor, and our seal hereto affixed at the city of Harrisburg, this 18th day of November, in the year of our Lord 1922.

[SEAL.]

By the governor:

BERNARD J. MYERS,

Secretary of the Commonwealth.

WM. C. SPROUL, Governor.

Mr. LODGE. The Senators elect from Pennsylvania are here and ready to take the oath of office.

The PRESIDENT pro tempore. There being no objection, the several Senators elect will be sworn in at the same time.

Mr. LODGE. I have no objection to that course.

### SENATOR FROM DELAWARE.

Mr. BAILL. Mr. President, I present the credentials of THOMAS F. BAYARD, Senator elect from the State of Delaware. I ask that his credentials may be read and that the oath of office may be administered to him.

The credentials were read, and ordered to be filed, as follows:

BY AUTHORITY OF THE STATE OF DELAWARE.

To the President of the Senate of the United States:

Be it known, an election was held in the State of Delaware on Tuesday, the 7th day of November, in the year of our Lord 1922, that being the Tuesday next after the first Monday in said month, in pursuance of the Constitution of the United States and the laws of the State of Delaware, in that behalf, for the election of a Senator for the people of the said State in the Senate of the United States.

Whereas the official certificates or returns of the said election, held in the several counties of the said State, in due manner made out, signed, and executed, have been delivered to me according to the laws of the said State, by the superior court of the said counties; and having examined said returns and enumerated and ascertained the number of votes for each and every candidate or person voted for, for such Senator, I have found THOMAS F. BAYARD to be the person highest in vote, and therefore duly elected Senator of and for the said State in the Senate of the United States for the residue of the constitutional term which commenced on the 4th day of March, in the year of our Lord 1917.

I, William D. Denney, governor, do, therefore, according to the form of the act of the general assembly of the said State and of the act of Congress of the United States, in such case made and provided, declare the said THOMAS F. BAYARD the person highest in vote at the election aforesaid, and therefore duly and legally elected Senator of and for the said State of Delaware in the Senate of the United States, for the residue of the constitutional term which commenced on the 4th day of March in the year of our Lord 1917.

Given under my hand and the great seal of the said State, in obedience to the said act of the general assembly and of the said act of Congress, at Dover, the 15th day of November, in the year of our Lord 1922, and in the year of the independence of the United States of America the one hundred and forty-seventh.

[SEAL.]

By the governor:

A. R. BENSON,

Secretary of State.

WM. D. DENNEY,

### SENATOR FROM GEORGIA.

Mr. HARRIS. Mr. President, after the death of my late colleague, Thomas E. Watson, the governor of my State appointed as his successor Mrs. REBECCA LATIMER FELTON. Her credentials were sent to the Secretary of the Senate and have been here for some days. I hope no Senator will object to her taking the oath of office. The Senator elect from Georgia, Hon. WALTER F. GEORGE, very generously and very graciously has withheld his credentials in order that Mrs. FELTON may take the oath, and, as I said, I hope no Senator will object. This will not in any way prejudice Mr. GEORGE's claims to his seat in the Senate, to which the people of my State have elected him, and his credentials will be presented to-morrow.

The PRESIDENT pro tempore. The Senator from Georgia will present the certificate of appointment.

Mr. HARRIS. It is in the possession of the Secretary of the Senate.

Mr. WALSH of Montana addressed the Senate. After having spoken for some time,

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that a quorum of the House of Representatives had assembled and that the House was ready for business.

The message also announced that a committee of three were appointed by the Speaker on the part of the House of Representatives to join with the committee on the part of the Senate to wait on the President of the United States and to notify him that a quorum of the two Houses had assembled and that Congress was ready to receive any communication that he might be pleased to make, and that Mr. MONDELL, Mr. MADDEN, and Mr. GARRETT of Tennessee were appointed as the committee on the part of the House.

The message further communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. THOMAS E. WATSON, late a Senator from the State of Georgia.

The message also communicated to the Senate the intelligence of the death of Hon. CHARLES R. CONNELL, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

The message further communicated to the Senate the intelligence of the death of Hon. JOHN I. NOLAN, late a Representative from the State of California, and transmitted the resolutions of the House thereon.

The message also announced that the House had passed a bill (H. R. 11579) to amend section 1 of an act approved January 11, 1922, entitled "An act to permit the city of Chicago to acquire real estate of the United States of America," in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 72) authorizing the two Houses of Congress to assemble in the Hall of the House of Representatives on Tuesday, the 21st day of November,

1922, at 12.30 o'clock in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them, in which it requested the concurrence of the Senate.

JOINT MEETING OF THE TWO HOUSES.

Mr. LODGE. Mr. President, I ask the Senator from Montana to yield to me.

Mr. WALSH of Montana. I yield to the Senator from Massachusetts.

Mr. LODGE. I ask that the concurrent resolution of the House of Representatives be laid before the Senate.

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution of the House of Representatives (H. Con. Res. 72), which was read:

*Resolved by the House of Representatives (the Senate concurring).* That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, the 21st day of November, 1922, at 12.30 o'clock in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

Mr. LODGE. I move that the Senate concur in the resolution of the House.

The concurrent resolution was considered by unanimous consent and agreed to.

Mr. LODGE. Mr. President, I now ask the Senator from Montana to yield further so that the Senate may carry out the order which has just been adopted.

Mr. WALSH of Montana. Certainly.

Mr. LODGE. In the meantime the Senate will stand in recess until the order has been fulfilled.

The PRESIDENT pro tempore (at 12 o'clock and 25 minutes p. m.). In accordance with the order just adopted, the Senate will now repair to the House of Representatives.

Thereupon the Senate, preceded by its Sergeant at Arms (David S. Barry) and by the President pro tempore and the Secretary (George A. Sanderson), proceeded to the Hall of the House of Representatives.

ADDRESS BY THE PRESIDENT OF THE UNITED STATES.

The address of the President of the United States this day delivered at a joint meeting of the two Houses of Congress is as follows:

The PRESIDENT. Members of the Congress: Late last February I reported to you relative to the American merchant marine, and recommended legislation which the executive branch of the Government deemed essential to promote our merchant marine and with it our national welfare. Other problems were pressing and other questions pending, and for one reason or another, which need not be recited, the suggested legislation has not progressed beyond a favorable recommendation by the House committee. The committee has given the question a full and painstaking inquiry and study, and I hope that its favorable report speedily will be given the force of law.

It will be helpful in clearing the atmosphere if we start with the frank recognition of divided opinion and determined opposition. It is no new experience. Like proposals have divided the Congress on various previous occasions. Perhaps a more resolute hostility never was manifest before, and I am very sure the need for decisive action—decisive, favorable action—never was so urgent before.

We are not now dealing with a policy founded on theory; we have a problem which is one of grim actuality. We are facing insistent conditions, out of which will come either additional and staggering Government losses and national impotence on the seas, or else the unfurling of the flag on a great American merchant marine commensurate with our commercial importance, to serve as carrier of our cargoes in peace and meet the necessities of our defense in war. There is no thought here and now to magnify the relation of a merchant marine to our national defense. It is enough to recall that we entered the World War almost wholly dependent on our Allies for transportation by sea. We expended approximately three billions, feverishly, extravagantly, wastefully, and impractically. Out of our eagerness to make up for the omissions of peace and to meet the war emergency we builded and otherwise acquired the vast merchant fleet which the Government owns to-day.

In the simplest way I can say it, our immediate problem is not to build and support a merchant shipping, which I hold to be one of the highest and most worthy aspirations of any great people; our problem is to deal with what we now possess. Our problem is to relieve the Public Treasury of the drain it is already meeting. Let us omit particulars about the frenzied war-time building. Possibly we did full as well as could have been done in the anxious circumstances. Let us pass for the moment the vital relationship between a merchant marine and

a commercially aspiring nation. Aye, let us suppose for a moment the absurdity that with one \$3,000,000,000 experience, and with the incalculable costs in lives and treasure which may be chargeable to our inability promptly to apply our potency—which God forefend happening again—let us momentarily ignore all of these and turn to note the mere business problem, the practical question of dollars and cents with which we are confronted.

The war construction and the later completion of war contracts, where completion was believed to be the greater economy to the Public Treasury, left us approximately 13,200,000 gross tonnage in ships. The figures are nearer 12,500,000 tons now, owing to the scrapping of the wooden fleet. More than half this tonnage is Government owned, and approximately 2,250,000 tons are under Government operation in one form or another. The net loss to the United States Treasury—sums actually taken therefrom in this Government operation—averaged approximately \$16,000,000 per month during the year prior to the assumption of responsibility by the present administration. A constant warfare on this loss of public funds, and the draft to service of capable business management and experienced operating directors, have resulted in applied efficiency and enforced economies. It is very gratifying to report the diminution of the losses to \$4,000,000 per month, or a total of \$50,000,000 a year; but it is intolerable that the Government should continue a policy from which so enormous a Treasury loss is the inevitable outcome. This loss, moreover, attends operation of less than a third of the Government-owned fleet.

It is not, therefore, a question of adding new Treasury burdens to maintain our shipping; we are paying these burdens now. It is not a question of contracting an outlay to support our merchant shipping, because we are paying already. I am not asking your authorization of a new and added draft on the Public Treasury; I am appealing for a program to diminish the burden we are already bearing.

When your executive government knows of public expenditures aggregating fifty millions annually, which it believes could be reduced by half through a change of policy, your government would be unworthy of public trust if such a change were not commended, nay, if it were not insistently urged.

And the pity of it is that our present expenditure in losses is not constructive. It looks to no future attainments. It is utterly ineffective in the establishment of a dependable merchant marine, whereas the encouragement of private ownership and the application of individual initiative would make for a permanent creation, ready and answerable at all times to the needs of the Nation.

But I have not properly portrayed all the current losses to the Public Treasury. We are wearing out our ships without any provision for replacement. We are having these losses through deterioration now, and are charging nothing against our capital account. But the losses are there, and regrettably larger under Government operation than under private control. Only a few years of continued losses on capital account will make these losses through depreciation alone to exceed the fifty millions a year now drawn to cover losses in operation.

The gloomy picture of losses does not end even there. Notwithstanding the known war cost of \$3,000,000,000 for the present tonnage, I will not venture to appraise its cash value to-day. It may as well be confessed now as at some later time that in the mad rush to build, in establishing shipyards wherever men would organize to expend Government money, when we made shipbuilders overnight quite without regard to previous occupations or pursuits, we builded poorly, often very poorly. Moreover, we constructed without any formulated program for a merchant marine. The war emergency impelled, and the cry was for ships, any kind of ships. The error is recalled in regret rather than criticism. The point is that our fleet, costing approximately \$3,000,000,000, is worth only a fraction of that cost to-day. Whatever that fraction may be, the truth remains that we have no market in which to sell the ships under our present policy, and a program of surrender and sacrifice and the liquidation which is inevitable unless the pending legislation is sanctioned, will cost scores of millions more.

When the question is asked, Why the insistence for the merchant marine act now? the answer is apparent. Waiving every inspiration which lies in a constructive plan for maintaining prudence in safeguarding against another \$3,000,000,000 madness if war ever again impels, we have the unavoidable task of wiping out a \$50,000,000 annual loss in operation, and losses aggregating many hundreds of millions in worn-out, sacrificed, or scrapped shipping. Then the supreme humiliation, the admission that the United States—our America, once eminent among the maritime nations of the world—is incapable of



asserting itself in the peace triumphs on the seas of the world. It would seem to me doubly humiliating when we own the ships and fail in the genius and capacity to turn their prows toward the marts of the world.

This problem can not longer be ignored, its attempted solution can not longer be postponed. The failure of Congress to act decisively will be no less disastrous than adverse action.

Three courses of action are possible, and the choice among them is no longer to be avoided.

The first is constructive—enact the pending bill, under which, I firmly believe, an American merchant marine, privately owned and privately operated, but serving all the people and always available to the Government in any emergency, may be established and maintained.

The second is obstructive—continue Government operations and attending Government losses and discourage private enterprise by Government competition, under which losses are met by the Public Treasury, and witness the continued losses and deterioration until the colossal failure ends in sheer exhaustion.

The third is destructive—involving the sacrifice of our ships abroad or the scrapping of them at home, the surrender of our aspirations, and the confession of our impotence to the world in general and our humiliation before the competing world in particular.

A choice among the three is inevitable. It is unbelievable that the American people or the Congress which expresses their power will consent to surrender and destruction. It is equally unbelievable that our people and the Congress which translates their wishes into action will longer sustain a program of obstruction and attending losses to the Treasury.

I have come to urge the constructive alternative, to reassert an American "We will." I have come to ask you to relieve the responsible administrative branch of the Government from a program upon which failure and hopelessness and staggering losses are written for every page, and let us turn to a program of assured shipping to serve us in war and to give guaranty to our commercial independence in peace.

I know full well the hostility in the popular mind to the word "subsidy." It is stressed by the opposition and associated with "special privilege" by those who are unfailing advocates of Government aid whenever vast numbers are directly concerned. "Government aid" would be a fairer term than "subsidy" in defining what we are seeking to do for our merchant marine, and the interests are those of all the people, even though the aid goes to the few who serve.

If Government aid is a fair term—and I think it is—to apply to authorizations aggregating \$75,000,000 to promote good roads for market highways, it is equally fit to be applied to the establishment and maintenance of American market highways on the salted seas. If Government aid is the proper designation for fifteen to forty millions annually expended to improve and maintain inland waterways in aid of commerce, it is a proper designation for a needed assistance to establish and maintain ocean highways where there is actual commerce to be carried.

But call it "subsidy," since there are those who prefer to appeal to mistaken prejudice rather than make frank and logical argument. We might so call the annual loss of fifty millions, which we are paying now without protest by those who most abhor, we might as well call that a "subsidy." If so, I am proposing to cut it in half, approximately, and to the saving thus effected there would be added millions upon millions of further savings through ending losses on capital account—Government capital, out of the Public Treasury, always remember—and there would be at least the promise and the prospect of the permanent establishment of the needed merchant marine.

I challenge every insinuation of favored interests and the enrichment of the special few at the expense of the Public Treasury. I am, first of all, appealing to save the Treasury. Perhaps the unlimited bestowal of Government aid might justify the apprehension of special favoring, but the pending bill, the first ever proposed which carries such a provision, automatically guards against enrichment or perpetuated bestowal. It provides that shipping lines receiving Government aid must have their actual investment and their operating expenses audited by the Government, that Government aid will only be paid until the shipping enterprise earns 10 per cent on actual capital employed, and immediately that when more than 10 per cent earning is reached half of the excess earnings must be applied to the repayment of the Government aid which has been previously advanced. Thus the possible earnings are limited to a very reasonable amount if capital is to be risked and management is to be attracted. If success attends, as we hope it will, the Government outlay is returned, the inspiration of oppor-

tunity to earn remains, and American transportation by sea is established.

Though differing in detail, it is not more in proportion to their population and capacity than other great nations have done in aiding the establishment of their merchant marines, and it is timely to recall that we gave them our commerce to aid in their upbuilding, while the American task now is to upbuild and establish in the face of their most active competition. Indeed, the American development will have to overcome every obstacle which may be put in our path, except as international comity forbids. Concern about our policy is not limited to our own domain, though the interest abroad is of very differing character. I hope it is seemly to say it, because it must be said, the maritime nations of the world are in complete accord with the opposition here to the pending measure. They have a perfect right to such an attitude. When we look from their viewpoints we can understand. But I wish to stress the American viewpoint. Ours should be the viewpoint from which one sees American carriers at sea, the dependence of American commerce, and American vessels for American reliance in the event of war. Some of the costly lessons of war must be learned again and again, but our shipping lesson in the World War was much too costly to be effaced from the memory of this or future generations.

Not so many months ago the head of a company operating a fleet of ships under our flag called at the Executive Offices to discuss a permit to transfer his fleet of cargo vessels to a foreign flag, though he meant to continue them in a distinctly American service. He based his request for transfer on the allegation that by such a transfer he could reduce his labor costs alone sufficiently to provide a profit on capital invested. I do not vouch for the accuracy of the statement nor mean to discuss it. The allusion is made to recall that in good conscience Congress has created by law conditions surrounding labor on American ships which shipping men the world over declare result in higher costs of operation under our flag. I frankly rejoice if higher standards for labor on American ships have been established. Merest justice suggests that when Congress fixes these standards it is fair to extend Government aid in maintaining them until world competition is brought to the same high level, or until our shipping lines are so firmly established that they can face world competition alone.

Having discussed in detail the policy and provisions of the pending bill when previously addressing you, I forbear a repetition now. In individual exchanges of opinion not a few in House or Senate have expressed personal sympathy with the purposes of the bill and then uttered a discouraging doubt about the sentiment of their constituencies. It would be most discouraging if a measure of such transcending national importance must have its fate depend on geographical, occupational, professional, or partisan objections. Frankly, I think it loftier statesmanship to support and commend a policy designed to effect the larger good to the Nation than merely to record the too hasty impressions of a constituency. Out of the harmonized aspirations, the fully informed convictions, and the united efforts of all the people will come the greater Republic. Commercial eminence on the seas, ample agencies for the promotion and carrying of our foreign commerce, are of no less importance to the people of Mississippi and the Missouri Valley, the great Northwest, and the Rocky Mountain States than to the seaboard States and industrial communities building inland a thousand miles or more. It is a common cause, with its benefits commonly shared. When people fail in the national viewpoint, and live in the confines of community selfishness or narrowness, the sun of this Republic will have passed its meridian, and our larger aspirations will shrivel in the approaching twilight.

But let us momentarily put aside the aspiring and inspiring viewpoint. The blunt, indisputable fact of the loss of fifty millions a year under Government operation remains; likewise the fast diminishing capital account, the enormous war expenditure, to which we were forced because we had not fittingly encouraged and builded as our commerce expanded in peace. Here are facts to deal with, not fancies wrought out of our political and economic disputes. The abolition of the annual loss and the best salvage of the capital account are of concern to all the people.

It is my firm belief that the combined savings of operating losses and the protection of the capital account through more advantageous sales of our war-built or war-seized ships, because of the favoring policy which the pending bill will establish, will more than pay every dollar expended in Government aid for 25 years to come.

It should be kept in mind that the approximate sum of five millions annually paid for the transport of ocean mails is no



new expenditure. It should be kept in mind that the loan fund to encourage building is not new; it is the law already, enacted by the essential unanimous vote of Congress. It is only included in the pending bill in order to amend so as to assure the exaction of a minimum interest rate by the Government, whereas the existing law leaves the grant of building loans subject to any whim of favoritism.

It should be kept in mind, also, that there are assured limitations of the Government aid proposed. The direct aid, with ocean carrying maintained at our present participation, will not reach twenty millions a year, and the maximum direct aid, if our shipping is so promoted that we carry one-half our deep-seas commerce, will not exceed thirty millions annually. At the very maximum of outlay we should be saving twenty millions of our present annual operating loss. If the maximum is ever reached, the establishment of our merchant marine will have been definitely recorded and the Government-owned fleet fortunately liquidated.

From this point of view it is the simple, incontestable wisdom of businesslike dealing to save all that is possible of the annual loss and avoid the millions sure to be lost to the Government's capital account in sacrificing our fleet. But there is a bigger, broader, more inspiring viewpoint, aye, a patriotic viewpoint. I refer to the constructive action of to-day, which offers the only dependable promise of making our war-time inheritance of ships the foundation of a great agency of commerce in peace and an added guaranty of service when it is necessary to our national defense.

Thus far I have been urging Government aid to American shipping, having in mind every interest of our producing population, whether of mine, factory, or farm, because expanding commerce is the foremost thought of every nation in the world to-day.

I believe in Government aid becomingly bestowed. We have aided industry through our tariffs; we have aided railway transportation in land grants and loans. We have aided the construction of market roads and the improvement of inland waterways. We have aided reclamation and irrigation and the development of water powers; we have loaned for seed grains in anticipation of harvests. We expend millions in investigation and experimentation to promote a common benefit, though a limited few are the direct beneficiaries. We have loaned hundreds of millions to promote the marketing of American goods. It has all been commendable and highly worth while.

At the present moment the American farmer is the chief sufferer from the cruel readjustments which follow war's inflations, and befitting Government aid to our farmers is highly essential to our national welfare. No people may safely boast a good fortune which the farmer does not share.

Already this Congress and the administrative branch of the Government have given willing ear to the agricultural plea for postwar relief, and much has been done which has proven helpful. Admittedly, it is not enough. Our credit systems, under Government provision and control, must be promptly and safely broadened to relieve our agricultural distress.

To this problem and such others of pressing importance as reasonably may be dealt with in the short session I shall invite your attention at an early date.

I have chosen to confine myself to the specific problem of dealing with our merchant marine because I have asked you to assemble two weeks in advance of the regularly appointed time to expedite its consideration. The executive branch of the Government would feel itself remiss to contemplate our yearly loss and attending failure to accomplish if the conditions were not pressed for your decision. More, I would feel myself lacking in concern for America's future if I failed to stress the beckoning opportunity to equip the United States to assume a befitting place among the nations of the world whose commerce is inseparable from the good fortunes to which rightfully all peoples aspire.

The Senate returned to its Chamber at 1 o'clock and 10 minutes p. m., and the President pro tempore resumed the chair.

#### CALL OF THE ROLL.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Cummins	France	Hitchcock
Borah	Curtis	Gooding	Kellogg
Brandegee	Dial	Hale	Keyes
Broussard	Edge	Harrell	Ladd
Calder	Elkins	Harris	La Follette
Capper	Ernst	Harrison	Lodge
Colt	Fletcher	Heflin	McKellar

McKinley  
McNary  
Nelson  
Nicholson  
Norris  
Overman  
Owen  
Page

Pepper  
Pittman  
Pomerene  
Ransdell  
Reed, Pa.  
Sheppard  
Shields  
Shortridge

Simmons  
Smith  
Smoot  
Stanfield  
Stanley  
Sterling  
Sutherland  
Swanson

Trammell  
Wadsworth  
Walsh, Mass.  
Walsh, Mont.  
Warren  
Watson  
Weller  
Willis

The PRESIDENT pro tempore. Sixty Senators having answered to their names, a quorum is present.

#### SWEARING IN OF SENATORS.

Mr. LODGE. Mr. President, with the consent of the Senator from Montana, I ask that the three Senators whose credentials, which will lead to no discussion whatever, have been presented and who are waiting here to take the oath may be permitted now to do so.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senators from Pennsylvania and the Senator from Delaware will present themselves at the desk.

Mr. PEPPER and Mr. REED of Pennsylvania, escorted by Mr. LODGE, and Mr. BAYARD, escorted by Mr. BALL, advanced to the Vice President's desk, and the oath prescribed by law having been administered to them, they took their seats in the Senate.

#### PUEBLO INDIAN LANDS IN NEW MEXICO.

Mr. BORAH. Mr. President, will the Senator from Montana indulge me for just a moment?

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WALSH of Montana. I yield to the Senator.

Mr. BORAH. I wish to call attention to the bill (S. 3855) to ascertain and settle land claims of persons not Indian within pueblo Indian land, land grants, and reservations in the State of New Mexico, which passed the Senate in the closing days of the session, and which, I think, passed the Senate under a misapprehension as to what its terms are. I ask unanimous consent that the House be requested to return the bill to the Senate.

Mr. FLETCHER. Mr. President, will the Senator state what is the purpose of the bill?

Mr. BORAH. The bill relates to certain Indian lands in New Mexico.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Idaho that the House of Representatives be requested to return to the Senate Senate bill 3855? The Chair hears no objection, and the order is entered.

#### SENATOR FROM GEORGIA.

Mr. HARRELD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Oklahoma?

Mr. WALSH of Montana. I think we ought to dispose of the matter which is before the Senate at this time.

Mr. HARRELD. I merely wanted to introduce a bill.

Mr. WALSH of Montana. I shall have to object to further interruption until the pending matter shall have been disposed of.

Mr. NICHOLSON. Mr. President, will the Senator from Montana kindly yield in order that I may introduce a bill? It will take but a moment.

Mr. WALSH of Montana. No; I object to the transaction of any business whatever until the pending matter shall have been disposed of. It is a question of high privilege.

The PRESIDENT pro tempore. The Senator from Montana is entitled to the floor and will proceed.

Mr. WALSH of Montana resumed and concluded his speech, which is entire as follows:

Mr. WALSH of Montana. Mr. President, I am very sure there is no Member of the Senate who does not desire to accord to this estimable and worthy woman the high honor of sitting even for a brief period as a Member of this body, if he can do so consistently with his sense of duty. It would do very little credit, however, to this body or to her to admit her to membership if the Constitution, which we have all sworn to support by the oath she must subscribe, forbids it. As very grave doubt has been cast upon her present right to take the oath by the public statement of the governor of her State, I venture to submit for the consideration of the Senate some reflections upon the subject as well as some precedents in relation to it.

As the Senate has been advised, upon the death of the late Senator WATSON, Mrs. FELTON was appointed pursuant to the amendment to the Constitution and the laws of Georgia to fill the vacancy until the next election should take place. Writs of election were issued in that State in accordance with the amendment to the Constitution, and an election was held on the 7th day of November, as the result of which, as we have been advised unofficially by the public press, Mr. GEORGE was



elected to fill the vacancy. Similarly we are advised that the board of canvassers of the State met, discharged their duties in the premises, and there was issued to him a certificate of election. Of these facts I understand there is no dispute.

The relevant provision of the Constitution is clause 2 of the seventeenth amendment, which reads as follows:

When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: *Provided*, That the legislature of any State may empower the executive thereof to make temporary appointment until the people fill the vacancies by election as the legislature may direct.

The question is presented as to what is meant by an election as there used. Was the election accomplished when the voters deposited their ballots in the ballot box upon the 7th day of November last, or were the subsequent proceedings, the returns of the result, the canvassing of the returns, the certification of the result, and the issuing of a certificate, a part of the election? Was the election complete only when these things were done, or did it take place and become complete on the 7th day of November?

Further, the question is presented whether, even if the election was complete at that time, the sitting Member has not the right to sit until the credentials of her successor are presented to the Senate.

If it be true that the election took place and was complete upon the 7th day of November, it may be that the term of Mrs. FELTON expired on that day, although her successor might not until some time thereafter, namely, after the canvassing board had completed its work and a certificate of election had been delivered him, be in a situation to establish his title to the place. If that view is to obtain, there would then be a hiatus, an interim, during which the State would have but one representative in the Senate.

It has been contended, and I think with some degree of force, that the certificate is not absolutely essential to permit the admission of the Member. Members of the House are frequently sworn in without the presentation of certificates of their election, and oftentimes before the canvass has occurred. On yesterday several Members of the House were admitted to membership without the presentation of the official evidence of their election, either because the certificate had been delayed in transmission or because the canvass had not been completed. It could easily be conceived that the proper officers might willfully withhold the certificate, in which case the Senate would undoubtedly receive extraneous evidence to establish the fact of the election.

Moreover, it is maintained, upon reason as well as authority, that the Senate and House will take judicial notice of the fact that an election took place and of who was elected thereat. Courts take judicial notice of notorious facts of history. It would not be necessary, for instance, to establish by proof that the Battle of Gettysburg took place on the 1st, 2d, and 3d days of July, 1863. The court knows that as a matter of history. So as a matter of current history it is not improbable that we would take notice that Mr. BROOKHART, from the State of Iowa, and Mr. GEORGE, from the State of Georgia, were elected Members of this body at the late election. The Supreme Court of the United States quotes with apparent approval a paragraph from Greenfield on Evidence supporting this view. In a case in the State of North Dakota the court took judicial notice of the fact that certain gentlemen were elected members of the supreme court itself, the board of canvassers not yet having completed their work or certified the result as to the judgeships in question.

Important consequences necessarily follow from the adoption of either the one or the other view, namely, that the election was complete on the 7th of November or only after the canvassing board had declared the result. If, for instance, Senator GEORGE had died on the 8th day of November and before the canvassing board had completed its work, the question would arise as to whether Mrs. FELTON continued to be a Senator from Georgia until a new election should be held to fill the vacancy or whether her term of office having expired at midnight on the 7th of November the Governor of Georgia was entitled to appoint another person until the vacancy should be filled by election.

The question as to who should draw the salary, not only of the Senator, but of the clerks of the Senator, also becomes a matter of considerable importance. That feature of it was presented for consideration to the late Vice President Marshall, who ruled that the right of the appointee of the governor to the office, at least so far as the salaries of the clerks were concerned, expired on the night of the election. His views about the matter were expressed in a letter directed to the financial secretary of the Senate under date of October 15, 1918, which I ask be read at the desk.

The PRESIDENT pro tempore. In the absence of objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

THE VICE PRESIDENT'S CHAMBER,  
Washington, October 15, 1918.

MY DEAR MR. PACE: In response to your inquiry as to the tenure of office of temporary appointment of Senators by the governors of the several States, I have the honor to give you the following opinion:

The supreme law of the land upon this question is the seventeenth amendment to the Constitution of the United States. Neither Congress nor the general assembly of any State of this Union can add to or take therefrom. The portion of the seventeenth amendment which has to do with this question reads as follows:

"When vacancies happen in the representation of any State in the Senate, the executive authority of such State shall issue writs of election to fill such vacancies: *Provided*, That the legislature of any State may empower the executive thereof to make temporary appointments until the people fill the vacancies by election as the legislature may direct."

To my mind this clause authorizes the legislature of any State to empower the executive to make a temporary appointment until an election; that the legislature could either provide for a special election to take place within a reasonable time, or a fair construction of the constitutional provision would permit the legislature to delay the election until the next general election in the State.

It may be contended with some plausibility that the election might be postponed until the expiration of the term of the Senator whose death occasioned the temporary appointment. Personally, I do not so believe, nor is it needful under present circumstances to express an opinion upon this subject.

The tenure of office of those holding temporary appointments in the United States runs until the people have filled the vacancies by election, as the legislatures may direct. In all cases now under consideration the people will vote for United States Senators to fill the vacancies now being filled by these temporary appointments upon the 5th day of November next. The sole question for determination is, therefore, What constitutes an election?

The phraseology of the Constitution of the United States is radically different from that of many of the Commonwealths. Numerous State constitutions provide a tenure of office and then add that the incumbent shall hold the office for that period of time and until his successor is elected and qualified. In the seventeenth amendment to the Constitution of the United States nothing is said about holding beyond the election.

In the absence of disqualification to hold office, Senators will be elected on the 5th day of November next. They may be compelled to run the gamut of executive, administrative, judicial, and senatorial investigation before they are entitled to qualify and take their seats as Members of the United States Senate. They may fail to even reach the coveted positions. Equitably, it would seem that the present incumbents ought to be permitted to hold until the successors elected on the 5th of November have been sworn in as Senators of the United States. Such, however, is not the law. The tenure of office of all Senators now holding temporary appointment in the Senate of the United States will expire upon the 5th day of November next, and in the discharge of my sworn duty I can certify no compensation after that date.

I regret being compelled to render this opinion, but I think my duty as plain as a pikestaff.

Very respectfully,

THOS. R. MARSHALL.

CHARLES F. PACE,  
Financial Secretary United States Senate.

Mr. WALSH of Montana. The conclusion arrived at by the late Vice President, as expressed in the letter just read, concerning the significance of the word "election" as used in the constitutional amendment, is in accordance with the common understanding in relation thereto. As the term is ordinarily employed it undoubtedly means the day upon which the ballots are cast—in this particular instance the 7th day of November. It was given that significance by the Supreme Court of the State of Alabama in the case of *State ex rel. Tucker v. Harris* (54 Ala. 203). A statute of that State declared the office of sheriff to be vacant unless the sheriff gave a bond within 15 days after the election. In that case the votes were not canvassed within that period, but it was held, notwithstanding, that the office became vacant if the sheriff did not give a bond within 15 days after the day on which the ballots were cast. That view is in accordance also with the form prescribed by the certificate of appointment of a Senator prepared by the Senate for the information of the executives of the various States after the adoption of the amendment, a copy of which is found on page 9 of the Book of Rules of the Senate. It reads as follows:

*Resolved*, That in the opinion of the Senate the following are convenient and sufficient forms of certificate of election of a Senator or the appointment of a Senator, to be signed by the executive of any State in pursuance of the Constitution and the statutes of the United States:

"To the President of the Senate of the United States:

"This is to certify that on the — day of —, 19—, A— B— was duly chosen by the qualified electors of the State of — a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 19—.

"Witness: His excellency our governor —, and our seal hereto affixed at — this — day of —, in the year of our Lord 19—,

"By the governor:

"C— D—,

"E— F—,  
"Secretary of State."

"Governor."

The date inserted undoubtedly would be, and I believe has uniformly been, the day on which the ballots were cast and not the day upon which the returns were eventually canvassed.



But, Mr. President, while I have the very highest respect for the opinion of the late Vice President upon a subject like this, and we all know that his views upon similar questions were characterized by saving good sense, it is quite evident that he passed upon the question without consideration of the precedents of the Senate, which seem to me all important, indeed controlling. Those, Mr. President, are unbroken to the effect that the appointee of the governor is entitled to sit until his successor, elected by the legislature under the old Constitution, presents himself at the bar of the Senate and claims his seat or, at least, until the credentials of his successor are in some other way presented to the Senate. The provision of the original Constitution was quite ambiguous as to the time when the right of the appointee ceased. It read as follows:

And if vacancies happen by resignation, or otherwise, during the recess of the legislature of any State, the executive thereof may make temporary appointments until the next meeting of the legislature, which shall then fill such vacancies.

It was contended for a long time that by the plain language of the Constitution an appointee of the governor held his office only until the day on which the legislature of the State assembled. It was stoutly maintained that at least as soon as the legislature elected a Senator the right of the governor's appointee ceased. Finally it was contended that the right of the appointee did not cease until the person elected by the legislature presented his credentials; and the action of the Senate from the very beginning, Mr. President, has been in accordance with that theory. In connection with a report of the Judiciary Committee of the Senate made in the year 1851, a long list of cases, dating from the beginning of our Government, was given, showing that there have been the uniform practice and course of the Senate. Thus:

Thomas Posey, of Louisiana, appointed by the governor October 8, 1812, appeared and was classed November 27, 1812, qualified December 7, 1812, and took his seat, which he held until his successor, Mr. James Brown, elected by the legislature, appeared. Mr. Brown was elected December 1, 1812, and took his seat in the Senate February 5, 1813.

The appointee in that case held from December 1, 1812, when his successor was elected, until February 5, 1813, when the Senator elected by the legislature appeared.

Cristopher Gore, of Massachusetts, appointed by the governor May 5, 1813, took his seat May 28, 1813, and held until his successor, himself, appeared and qualified. Mr. Gore's credentials were presented June 4, 1813.

In that case the appointee of the governor held after his successor was elected from May 28, 1813, to June 4, 1813.

Jesse Wharton, of Tennessee, appointed by the governor March 17, 1814, took his seat April 9, 1814, and held until his successor, John Williams, appeared and qualified. Mr. Williams was elected by the legislature October 10, 1815, and appeared December 4, 1815.

As will be observed, there was a lapse of nearly 60 days; that is to say, the appointee of the governor served almost 60 days after his successor had been elected by the legislature.

The report from which I have quoted, Mr. President, was made in connection with a somewhat historic case. It arose by reason of the resignation of Daniel Webster in 1850. The facts are recited briefly in the syllabus of the case reported in Senate Election Cases, as follows:

Mr. Winthrop was appointed July 27, 1850, to fill a vacancy happening in the Senate by the resignation of Daniel Webster. February 1, 1851, Robert Rantoul was elected by the legislature to fill the unexpired term. February 4, Mr. Rantoul not having appeared to take the seat—

It will be observed that he had been elected February 1—

Mr. Winthrop offered a resolution, which was agreed to, "that the Committee on the Judiciary inquire and report to the Senate, as early as practicable, at what period the term of service of a Senator appointed by the executive of a State during the recess of the legislature thereof rightfully expires." The committee reported "that a person so appointed had a right to the seat until the legislature, at its next meeting, should elect a person to fill the unexpired term, and the person elected should accept, and his acceptance appear to the Senate; that presentation of credentials implied acceptance; that these views were sustained by precedents." The report was debated, but no action taken, the whole subject being laid on the table. Mr. Winthrop vacated the seat February 7, 1851, when Mr. Rantoul's credentials were presented.

Mr. President, it will be noted that if, as I have heretofore observed, the right of the appointee terminates on the day of the election—that is to say, on the day on which the votes are cast—there must, under any circumstances whatever, result a hiatus between that time and the time when his or her successor takes his seat. If he does not take his seat until a certificate is issued to him after the canvassing board has done its work, the period will be considerable in many instances, the State meanwhile being unrepresented; but if, indeed, we may take judicial notice of the election, without the necessity of a formal certificate of election, from such information as we can secure, still there must be a hiatus. That is to say, the result can not be determined until the night of the election, ordinarily; and

though the Member proceeds at once to the Capital from a remote section of the country—California, or the State of Washington—at least four days must ensue until the successor of the governor's appointee can arrive to take his place, the State meanwhile being unrepresented. From my State a period of three days would elapse. We must consider these provisions in view of the conditions which obtained at the time the Constitution was adopted, when sometimes it took a week or two weeks to travel from distant States to the Capital.

It is said as a principle of physics that nature abhors a vacuum, and it is undoubtedly true that the law abhors a vacancy. The most liberal construction will, accordingly, be given to any statute or to any constitution so that there shall be no vacancy, so that the appointee or Member elect shall take his seat as his predecessor vacates it.

The views of the committee to which reference has been made and which considered the subject over 70 years ago are expressed in brief in its report. Its reasoning will doubtless be of interest to the Members who have followed the discussion. From that report I read:

The question presented by the resolution turns mainly upon the construction of the clause of Article I, section 2, of the Constitution of the United States, which provides that "if vacancies happen, by resignation or otherwise, during the recess of the legislature of any State, the executive thereof may make temporary appointments until the next meeting of the legislature, which shall fill such vacancies."

Your committee are of the opinion that the sitting Member under executive appointment has a right to occupy his seat until the vacancy shall be filled by the legislature of the State of which he is a Senator during the next meeting thereof. To fill such vacancy it is not only necessary to make an election, but that the person elected shall accept the appointment. And your committee are further of the opinion that such acceptance should appear by the presentation to the Senate of the credentials of the Member elect, or other official information of the fact, at which time the office of the sitting Member terminates. When the Member elect is present and ready to qualify his express acceptance is at once made known; and when his credentials are presented in his absence his acceptance may be fairly implied.

The report, Mr. President, gave rise to an extended discussion before the Senate. I shall not trouble the Senate with any extended reference to it; but I call your attention to the various propositions which were debated, as expressed by Mr. Bradbury, a Senator from the State of Maine and a member of the committee, who in the course of some remarks said:

Three distinct positions have been taken and are presented in the propositions that have been discussed, as to the time when the office of a person holding under executive appointment, to fill a vacancy in the Senate happening by resignation or otherwise during the recess of the legislature of any State terminates.

The first is that it terminates on the first day of the next meeting of the legislature of such State. This is the position of the Senator from South Carolina [Mr. Rhett] and is intended to be presented by his amendment to the resolution of the Senator from Massachusetts [Mr. Davis].

The second is that such office terminates upon the presentation to the Senate, during the next session of such legislature, of the credentials of the Member elected to fill such vacancy. This is the position maintained in the report of the committee.

The third is that it does not terminate until the Member elected to fill the vacancy is present to take his seat. This is the position embraced in the resolution of the Senator from Massachusetts.

I am sure you will be interested in what Senator Benton, of Missouri, said concerning the practice of the Senate, speaking, as is well known, from his 30 years' experience as a member of this body. He remarked:

I have been accustomed to see Senators who held appointments under the same form that the Senator from Massachusetts did sit in their seats until their successors arrived. And I have seen them when their successors arrived introduce them, get up, and give them their seats, and go out. I have seen that, and I have become accustomed to it. It corresponds to what I think is due to every State, what is due to the system of representation, that if there be any doubt at all in a question of this kind the benefit of that doubt should be given to the State. She should have the benefit of a full representation up to the last moment. There should be no gap or interval.

In the volume to which I have referred, the Senate Election Cases, the list of cases referred to in the earlier volume, in which is found the report made by the Senate Judiciary Committee in 1850, is supplemented by a large number of cases running down to the year 1913. It is headed:

A list showing all the appointments of Senators by governors of States prior to March 4, 1913, arranged in the order of time that the credentials were read in the Senate.

In no instance does it appear that any controversy was ever raised as to the right of the governor's appointee to sit and participate in the deliberations of the Senate until his or her successor appeared with the proper credentials.

These are all, of course, constructions of the original Constitution, and the seventeenth amendment was adopted in view of the practical construction given to the corresponding provision of the work of the fathers by the Senate itself. Under well-established principles of construction, the language being changed only so far as was necessary to express the purpose to change the method of election, the people indorsed the construction of the clause of the Constitution in question implied



in the practice which had been observed by the Senate, and intended that the amendment should be similarly construed.

I have said this much because I did not like to have it appear, if the lady is sworn in—as I have no doubt she is entitled to be sworn in—that the Senate had so far departed from its duty in the premises as to extend so grave a right to her as a favor, or as a mere matter of courtesy, or being moved by a spirit of gallantry, but rather that the Senate, being fully advised about it, decided that she was entitled to take the oath.

The PRESIDENT pro tempore. The Secretary will read the certificate presented by the Senator from Georgia.

The reading clerk read as follows:

THE STATE OF GEORGIA.

By his excellency Thomas W. Hardwick, Governor of said State.

To the Hon. REBECCA LATIMER FELTON, greeting:

Whereas, in conformity with the provisions of the constitution and laws of this State, you were on the 3d day of October, 1922, appointed Senator in the Congress of the United States:

Now, therefore, by virtue of the power and authority in me vested by the constitution and laws of this State, and in pursuance of your appointment, I do hereby commission you, the said REBECCA LATIMER FELTON, Senator in the Congress of the United States from the State of Georgia.

This commission shall continue in force from the 3d day of October, 1922, and until your successor is elected and qualified, unless the same shall be sooner vacated or annulled in the manner authorized by the constitution and laws of this State.

Given under my hand and the great seal of the State, at the capitol, in the city of Atlanta, the 3d day of October, in the year of our Lord 1922.

[SEAL.]

THOMAS W. HARDWICK,  
Governor.

By the Governor:  
S. G. McLENDON,  
Secretary of State.

The PRESIDENT pro tempore. Mrs. FELTON, being present, will kindly present herself at the desk to receive the oath of office.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Harreld	Nicholson	Smoot
Bayard	Harris	Norris	Stanfield
Borah	Harrison	Overman	Stanley
Capper	Heflin	Owen	Sterling
Colt	Hitchcock	Page	Sutherland
Cummins	Kellogg	Pepper	Swanson
Curtis	Keyes	Pittman	Trammell
Dial	Ladd	Pomerene	Walsh, Mass.
Edge	La Follette	Ransdell	Walsh, Mont.
Ernst	Lodge	Reed, Pa.	Warren
Fletcher	McCumber	Sheppard	Watson
France	McKellar	Shields	Weller
Frellinghuysen	McKinley	Shortridge	Willis
Gooding	McNary	Simmons	
Hale	Nelson	Smith	

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present. The Senator appointed will present herself at the desk to receive the oath of office.

Mrs. FELTON was escorted by Mr. HARRIS to the Vice President's desk, and the oath prescribed by law having been administered to her, she took her seat in the Senate.

ALLEGED OUTRAGES IN LOUISIANA.

Mr. RANSDELL. Mr. President, I rise to a question of privilege, as one of the Senators from Louisiana, whose citizenship and institutions have been grossly misrepresented during the past three days by one of the newspapers of this city.

Mr. President, I was shocked and grieved to read in the usually conservative Washington Post of the 19th, 20th, and 21st instant, under scare headlines, on the first page of each day's issue, a most remarkable story of crime, lawlessness, and terrorism in Louisiana. If the statements in these articles were correct, the plight of my State would be sad indeed, but they are very far from the truth.

I can not conceive how such sweeping, libelous, extremely damaging statements in regard to an entire sovereign State—not to some community thereof—could have been given even ordinary publicity in a reputable newspaper, but when placed on the first page of one of the greatest journals in America, issued at the Nation's Capital, under headings so large as to attract universal attention, it is utterly incomprehensible. I can not believe the Post set out willfully and deliberately to slander and destroy the good name of Louisiana, but unless immediate retraction is made by it in the same conspicuous way that the libel was uttered, the effect is certain to be most injurious.

I traveled over several parts of Louisiana during the past six weeks and met a great many of its citizens. Conditions seemed to be normal everywhere; the courts were functioning as usual; the people were attending fairs and armistice-day celebrations with apparent relish; business was excellent in many places and poor in others; there was no general unrest; the press was free and outspoken on all subjects, including the Ku-Klux Klan; there was no more crime than usual.

I heard much comment about the Mer Rouge outrage, which probably resulted in the murder of two men under dastardly circumstances, and gossip connected individual members of the Ku-Klux Klan with this crime—I say probable murder, as the two men referred to disappeared months ago, have never been heard from since, and there is every reason to believe they were foully murdered. This deplorable affair was an isolated one, in a thinly populated community, and it cost the lives of but two human beings and the cruel beating of two others. No one has been tried for it as yet, but I am assured that evidence is being secured, and when obtained, that the murderers will be brought to justice and prosecuted with all the power which the attorney general of the State and the local authorities can muster.

This Mer Rouge crime, by odds the worst that has occurred in Louisiana during the past four years, pales into insignificance when compared to the horrors of the race riots of 1920 in Chicago; the West Virginia miners' civil war of 1921; and the Herrin, Ill., wholesale murders of helpless men because they wished to work, only a few months ago. It would have been a very unjust slander on the States of West Virginia and Illinois to say, because of these terrible crimes, that their courts had ceased to function; their citizens were in terror; their press had been silenced; outrages against persons were frequent and never punished, and so forth. And yet when a crime small in comparison with those of West Virginia and Illinois occurs in one of the 64 parishes of Louisiana, the whole State, with its nearly 2,000,000 people, is held up to scorn before mankind. The statements in the Post are vicious and untrue!

Mr. WALSH of Massachusetts. Mr. President, I was much interested in the statement of personal privilege offered by the senior Senator from Louisiana [Mr. RANSDELL]. I would not refer to the subject were it not for the fact that I have some letters in my possession that may explain in part some of the statements made in the press in reference to law enforcement in Louisiana. I hope the news story about the power and influence of the Ku-Klux Klan in that State was exaggerated. I can not conceive of such an un-American spirit getting a foothold in any Commonwealth of the United States. It is difficult for Americans who believe in the Constitution to conceive of the special kind of intolerance alleged to be rampant in certain parts of this country.

Religious bigotry in individual cases may be explained, but it is inconceivable that there could be in this enlightened day and in a nation whose proud boast is "The land of the free and the home of the brave" the wholesale bigotry and prejudice against members of certain religious denominations and races that is alleged to prevail. Are we approaching a period in our history when groups of individuals demand that the principles laid down in our Constitution shall be applied to themselves but not to all other Americans?

There is no use of disguising the fact that this outlawry exists. It showed its heinous and venomous character here and there in the recent election. It is threatening control of the political machinery of our political parties. The letters that have come to me from most conservative and intelligent people in various parts of this country have astounded me with the extent and horrors of its practices. These letters seem to indicate that this organized spirit of intolerance is not only seeking to deny political rights to classes of our citizens but is even trying to destroy equality of opportunity, even for men and women in the humble walks of life, which is one of our most glorious inheritances.

The individual, organization, or political party that spreads a gospel of hate and dissension among our fellow citizens is striking a death blow at democratic institutions more destructive than that effort to destroy democracy which caused us to send our soldiers to fight in France in 1917. Let the leaders of all political parties refuse to silently accept the influence and support of secret organizations whose purposes are to promote propaganda of prejudice and persecution. The political party that does not repudiate such organizations will in time exterminate itself. The American people, when the issue is made clear, will not hesitate to support the Constitution.

The assertion, so forcibly denied by the senior Senator from Louisiana [Mr. RANSDELL], that religious, civil, and human lib-



erty is suppressed in that State may be exaggerated; but America is not free from this malignant propaganda while a single citizen of the most distant hamlet is denied complete protection against every form of religious prejudice and racial persecution.

The annihilation of such undemocratic and tyrannical movements ought to be led by those who are not of the religious or racial groups that are its victims. It is time for liberty-loving, broad-minded Americans to act before our free institutions be further undermined. Above everything else, let us not wait until the victims are driven in desperation to free themselves from religious and racial proscription by resort to religious and racial proscription.

I have a letter from the Governor of Louisiana addressed to an ex-service man, in which he asks this ex-service man to write Senators and Congressmen urging the Department of Justice to assist in bringing to justice those involved in a murder assumed to have been committed through the influence of the Ku-Klux Klan. I shall, without further comment, ask that the letter, addressed to me by a very reputable citizen of the State of New York, an ex-service man, in which he refers to the murder of one of his associates in the war, and the letter sent by the Governor of Louisiana to him in reference to the attempt to prosecute the murderers may be read at the desk. It is evident from the letter of Governor Parker that he has sought the assistance of the Department of Justice to bring at least some murderers to the bar of justice.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the letters will be read as requested.

The letters were read, as follows:

JOSEPH MORNINGSTAR & Co. (INC.),  
New York, November 9, 1922.

Hon. DAVID I. WALSH,  
Senator from Massachusetts, Washington, D. C.

DEAR SIR: I am sending you herewith a copy of the New Orleans Item which outlines the crime perpetrated in Morehouse Parish, La., and a letter from the Hon. John M. Parker, Governor of Louisiana, addressed to me.

The facts speak so clearly for themselves that any comment I may make upon them would be superfluous.

You are undoubtedly aware what the Ku-Klux Klan stands for and I know that you feel, as I do, that it is a privilege to line up on the other side.

The reason I am interesting myself in this case is because Fillmore Watt Daniel served overseas with me in the same company with the rank of sergeant, in A Company, Three hundred and thirty-sixth Battalion, Tank Corps. At the time of his enlistment Daniel was well beyond the draft age and could have been exempted in any case as an agriculturist. Nevertheless he left his old father to run one of the largest cotton plantations in that part of the country to do his duty as a citizen and a man, regardless of the technical justification the Government gave him for staying at home.

Just how well his State and country have rewarded him so far can be seen by the inclosed letter and newspaper.

Where the governor of a State admits that justice can not be secured through local authority it seems obvious that the Federal authorities gain jurisdiction, and the copy of the letter of Governor Parker clearly puts this case in that category.

If you could spare a small fraction of your time to see that justice is done there is no question in my mind that more good would come of it because of your eminence in the national standing.

While I have laid these facts before the Department of Justice I have had nothing of encouragement yet. A request from you and any of your colleagues that you may interest in this case would do more to right this grievous wrong than anything that I could do.

I can testify, as can Daniel's comrades, that he was a man of the highest character and moral integrity, a man who made himself beloved to his fellows because of his unfailing generosity, sympathy, and manliness.

During the whole exposé of the Klan by the New York World and other papers, never has such a flagrant case been noted.

Sincerely hoping that you will help us, his comrades, to see that justice is done, I respectfully subscribe myself,

JOSEPH MORNINGSTAR.

STATE OF LOUISIANA,  
EXECUTIVE DEPARTMENT,  
Baton Rouge, October 30, 1922.

Mr. JOS. MORNINGSTAR,  
650 West Thirty-fourth Street, New York, N. Y.

DEAR MR. MORNINGSTAR: Don't think that I, for a second, let up in my determination to bring the murderers of Daniel to trial, if possible. I deeply regret to say that there is a very large per cent of Ku-Klux in Morehouse Parish, and, from the evidence received by me, Daniel was one of the few men who was absolutely fearless and openly defied them.

It will be necessary to use all the influence at your command to get the United States Government to take an interest in this matter, and for that reason I would appreciate your writing me at length your opinion of this man as a soldier, and put it in such a shape that I can send it to Washington with the certainty that it will bring results. If these results do not come quickly, could I impose upon you by asking you to get in touch with all your Congressmen and Senators, requesting that they take the matter up with the Department of Justice to see that not only is this matter probed to the bottom, but that the murderers are brought before the bar of justice? Every possible effort at my command is and will be used to that end.

Cordially yours,

JNO. M. PARKER, Governor.

#### RESIGNATION OF SENATOR NEWBERRY.

The PRESIDENT pro tempore. The Chair lays before the Senate the following communication, which the Secretary will read.

The Assistant Secretary read as follows:

DETROIT, MICH., November 17, 1922.

Hon. CALVIN COOLIDGE,  
The Vice President, Washington, D. C.

DEAR MR. PRESIDENT: I inclose herewith a copy of my resignation which I have this day forwarded to the Governor of the State of Michigan, and I respectfully request that this be read into the records of the Senate as soon as possible.

Yours respectfully,

TRUMAN H. NEWBERRY.

DETROIT, MICH., November 18, 1922.

Hon. ALEX. J. GROESBECK,  
Governor of Michigan, Lansing, Mich.

SIR: I tender herewith my resignation as United States Senator from Michigan, to take immediate effect.

I am impelled to take this action because at the recent election, notwithstanding his long and faithful public service and his strict adherence to the basic principles of constructive Republicanism which I hold in common with him, Senator TOWNSEND was defeated. While this failure to reelect him may have been brought about, in part, by over four years of continued propaganda of misrepresentation and untruth, a fair analysis of the vote in Michigan and other States where friends and political enemies alike have suffered defeat will demonstrate that a general feeling of unrest was mainly responsible therefor.

This situation renders futile further service by me in the United States Senate, where I have consistently supported the progressive policies of President Harding's administration. My work there has been and would continue to be hampered by partisan political persecution, and I, therefore, cheerfully return my commission to the people from whom I received it.

I desire to record an expression of my gratitude for the splendid friendship, loyalty, and devotion of those who have endured with me during the past four years experiences unparalleled in the political history of our country. By direction of the Democratic administration, these began immediately upon my nomination, by proceedings before a specially selected grand jury, sitting in another State, which, by a vote of 16 to 1, completely exonerated those who had conducted my campaign. Then followed my election, with every issue which has since been raised clearly before the electorate of the State. A recount was demanded, and after a thorough and painstaking review of the ballots by the United States Senate, I was found to have received a substantial majority. While this was in progress I was subjected, with a large number of representative men of Michigan who had supported me, to a trial, following indictments procured by a Democratic Department of Justice, which through hundreds of agents had hounded and terrified men in all parts of the State into believing that some wrong had been done. Under the instructions given by the court, convictions of a conspiracy to spend more than \$3,750 naturally followed, and sentence imposing fines and imprisonment was immediately passed. All charges of bribery and corruption were, however, quashed by the specific order of the presiding judge.

On appeal, the Supreme Court of the United States reversed the action of the court below, because, as stated by Chief Justice White, of the grave misapprehension and the grievous misapplication of the statute, which was also declared unconstitutional. A protracted investigation before the Committee on Privileges and Elections of the Senate resulted in a report sustaining my election; and after a bitter partisan debate the Senate declared that I was entitled to my seat.

In view of all these proceedings my right to my seat has been fully confirmed, and I am thankful to have been permitted to serve my State and my country, and to have the eternal satisfaction of having by my vote aided in keeping the United States out of the League of Nations.

For those who so patriotically and unselfishly worked for my election, and in defense of my own honor and that of my family and friends, I have fought the fight and kept the faith. The time has now come, however, when I can conscientiously lay down the burden, and this I most cheerfully do. If in the future there seem to be opportunities for public service, I shall not hesitate to offer my services to the State which I love and the country I revere.

Respectfully,

TRUMAN H. NEWBERRY.

Mr. HARRISON. Mr. President, I shall not occupy the time of the Senate more than a moment. The communication which has just been read at the desk from Senator NEWBERRY is of great import. It will send a thrill of joy into every American home. It will be "glad tidings of good news" to all Americans. It augurs well for this session of Congress, that so soon after the recent political cyclone, we should begin, as we have to-day, by seating a distinguished lady as Senator from Georgia and then hearing read from the desk this communication of resignation.

Mr. President, individual Senators may err and majorities may make mistakes, but the good common sense of the American people in the end generally prevails. Their high ideals, their sense of justice, their allegiance to the purity of the ballot, their respect for the integrity of this body have wrung from unwilling hands what an autocratic and partisan majority in this body refused to do. The minority receives with pleasure, and I am sure all Americans with gratification, this communication. I congratulate the American people on what they have accomplished wherein the Republican Senate had failed. [Applause in the galleries.]

The PRESIDENT pro tempore. Applause in the galleries is not permitted by the rules of the Senate, and a repetition will result in having the galleries cleared.



Mr. OWEN. Mr. President, I wish to follow what has been said by the Senator from Mississippi [Mr. HARRISON] with an expression of the hope that in the future the use of money on a scale so gigantic as to affect unfairly the electorate will not be repeated in the United States by either a Republican or a Democrat. I believe that we ought to pass a law which would forbid any man, a Republican or a Democrat or a man of any other party, holding a place on this floor where money has been used extravagantly and wrongly and contrary to a reasonable rule and a reasonable law to bring about his election.

The duty is upon us to pass an honest election law which will prevent the recurrence of this abuse. It ought to be done by this Congress before the session ends.

The PRESIDENT pro tempore. The communication which was read at the desk will lie on the table.

#### LIBERIAN LOAN.

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Mr. WALSH of Montana. Mr. President, I wonder if the Senator from Kansas [Mr. CURTIS], in charge of the unfinished business, will not consent to temporarily lay it aside until we can get through with morning business.

Mr. CURTIS. I was about to make that request. I ask unanimous consent to temporarily lay aside the unfinished business.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the unfinished business is temporarily laid aside.

Mr. CURTIS. I wish to make a very brief statement. I am advised by those interested in the unfinished business that we probably will make time by having it put over until to-morrow as there are some resolutions in regard to deaths of Members and other matters which Senators desire to have presented. I shall at the proper time ask that the joint resolution may go over until to-morrow, but at present I merely want to have it temporarily laid aside.

#### HOUSE BILL REFERRED.

The bill (H. R. 11579) to amend section 1 of an act approved January 11, 1922, entitled "An act to permit the city of Chicago to acquire real estate of the United States of America," was read twice by its title and referred to the Committee on Public Buildings and Grounds.

#### THE MERCHANT MARINE.

Mr. STERLING (for Mr. ODDIE) presented a resolution of the Fernley Farm Bureau, of Fernley, Nev., protesting against the enactment of the so-called ship subsidy bill, which was referred to the Committee on Commerce.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 4025) to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire; to the Committee on the Judiciary.

A bill (S. 4026) granting a pension to Mollie E. Benson; to the Committee on Pensions.

By Mr. HARRELD:

A bill (S. 4027) to make unlawful certain acts of individuals and officers at elections at which Senators or Representatives are candidates; to the Committee on the Judiciary.

By Mr. FLETCHER:

A bill (S. 4028) for the relief of John N. Halladay; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4029) to amend an act entitled "An act to incorporate the Texas Pacific Railroad Co. and to aid in the construction of its road, and for other purposes," approved March 3, 1871, and acts supplemental thereto; to the Committee on the Judiciary.

By Mr. REED of Pennsylvania:

A bill (S. 4030) for the relief of Capt. Murray A. Cobb; to the Committee on Claims.

By Mr. McKINLEY:

A bill (S. 4031) to authorize the construction of a bridge across the Little Calumet River, in Cook County, State of Illinois, at or near the village of Riverdale, in said county;

A bill (S. 4032) granting the consent of Congress to the State of Illinois, department of public works and buildings, division of highways, to construct, maintain, and operate a bridge and approaches thereto across the Kankakee River, in the county of Kankakee, State of Illinois, between sec. 5, T. 30 N., and sec. 32, T. 31 N., R. 13 E. of the third principal meridian; and

A bill (S. 4033) granting the consent of Congress to the State of Illinois, department of public works and buildings, division of highways, to construct, maintain, and operate a bridge and approaches thereto across the Kankakee River, in the county of Kankakee, State of Illinois, between sec. 6, T. 30 N., and sec. 31, T. 31 N., R. 12 E. of the third principal meridian; to the Committee on Commerce.

By Mr. McNARY (for Mr. NICHOLSON):

A bill (S. 4034) to authorize the Secretary of the Interior to extend the time for payment of charges due on reclamation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. WADSWORTH:

A bill (S. 4035) for the relief of the owner of the steam tug *S. L. Crosby*; to the Committee on Claims;

A bill (S. 4036) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department; and

A bill (S. 4037) to amend the grade percentages of enlisted men as prescribed in section 4b of the national defense act, as amended; to the Committee on Military Affairs.

By Mr. STERLING:

A bill (S. 4038) to amend section 21 of the Judicial Code; to the Committee on the Judiciary.

A bill (S. 4039) authorizing the Secretary of the Interior to consider, ascertain, adjust, and determine claims of certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses; to the Committee on Indian Affairs.

By Mr. STERLING (for Mr. ODDIE):

A bill (S. 4040) to provide for the conservation of the natural gold resources of the continental United States and its non-contiguous territory by the payment of a bounty on newly mined gold to the producers thereof, and for other purposes; to the Committee on Mines and Mining.

A bill (S. 4041) to authorize the acquisition of a site and the erection of a Federal building at Lovelock, Nev.; and

A bill (S. 4042) to provide for additions and extensions to the United States post office at Reno, Nev.; to the Committee on Public Buildings and Grounds.

#### INTERNATIONAL HARVESTER CO.

The PRESIDENT pro tempore laid before the Senate a communication from the Acting Attorney General, in response to Senate Resolution 223, agreed to January 24, 1922, relative to any further proceedings contemplated in the case of the *United States v. International Harvester Co. et al.*, which was ordered to lie on the table and to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE.  
OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., September 22, 1922.

To the PRESIDENT OF THE SENATE.

SIR: I have the honor to acknowledge the receipt of and to comply with Senate Resolution No. 223, calling on the Attorney General for information as to what, if any, further proceedings are contemplated in the case of *United States v. International Harvester Co. et al.* Omitting the preamble, the resolution provides—

"That the Attorney General be, and he is hereby, directed to inform the Senate what action, if any, is contemplated by the Department of Justice to bring about a modification of said decree, in order that the same may comply with the real judgment rendered by the court in said case; or, if such course be not practical, whether the Department of Justice contemplates any other separate and independent action against said *International Harvester Co.* for the purpose of effectively restoring competitive conditions between the various corporations composing and comprising said *International Harvester Co.*"

The Government's suit against the *International Harvester Co.* was filed in the United States District Court for Minnesota in April, 1912. The case was heard by the circuit judges of the eighth circuit, who held (Judges Smith, Hook, and Adams, concurring, and Judge Sanborn, dissenting) that the company constituted a combination in restraint of trade in violation of the Sherman Act, and entered a decree providing that—

"The business and assets of the *International Harvester Co.* be divided in such manner and into such number of parts of separate and distinct ownership as may be necessary to restore competitive conditions and bring about a new situation in harmony with law."

The *Harvester* company appealed from this decree to the Supreme Court of the United States, and the case was argued there in April, 1915. On June 2 the case was restored to the docket and was again argued at the next succeeding term and was a second time restored to the docket for reargument. In October, 1918, the *Harvester* company dismissed its appeal, and there was entered by the district court a decree of dissolution which had been negotiated by counsel for the de-

fendant and the Attorney General. By the terms of the decree the Harvester company was required to sell and dispose of the harvesting machine lines made and sold by it under the trade names of "Osborne," "Milwaukee," and "Champion," together with the Osborne and Champion plants.

In compliance with the decree the International Harvester Co. has sold the Champion and Osborne lines. By a modification of the decree entered in the summer of 1920 the Harvester company has been relieved of the necessity of selling the plants, for the reason that the purchasers of the lines were already engaged in the harvesting implement business with plants of their own. The company has not disposed of the Milwaukee line for the reason that it has not found a purchaser therefor.

On May 4, 1920, the Federal Trade Commission made its report, entitled "Report on the causes of high prices of farm implements," mentioned in the preamble to Resolution No. 223. This report followed a comprehensive investigation of conditions in the farm-implement trade conducted pursuant to a resolution of the Senate. It condemns the decree in the Harvester case as wholly inadequate, because there was no provision for the disposition of either the McCormick or Deering lines of harvesting machines. These lines, it declares, were the predominant lines in 1902, when the Harvester company was formed, and have been continued as the principal ones by that company since, and no dissolution can have the effect to restore competitive conditions which leaves both in the hands of the same company. The report recommends, among other things, that the Harvester case be reopened, "so that a plan of dissolution be arrived at that will restore competitive conditions in the harvesting-machine business."

Paragraph (e) of the final decree provides as follows: "The object to be attained under the terms of this decree is to restore competitive conditions in the United States in the interstate business in harvesting machines and other agricultural implements; and, in the event that such competitive conditions shall not have been established at the expiration of 18 months after the termination of the existing war in which the United States is engaged (or at the expiration of two years from the date of the entry of this decree, in the event that said war shall be terminated within less than six months after the entry of this decree), then, in that case, the United States shall have the right to such further relief herein as shall be necessary to restore said competitive conditions and to bring about a situation in harmony with law; and this court reserves all necessary jurisdiction and power to carry into effect the provisions of the decrees herein entered."

1. After careful consideration of this language, and of such information as I have been able to obtain relative to the understanding of the negotiations of the decree, I am forced to the conclusion that this provision was intended to set up a test period in which it might be determined whether the relief granted was adequate to the purpose of the decree. In other words, that a period of 18 months from and after the conclusion of the war must elapse within which to judge of the efficacy of the decree before further proceedings may be had thereunder with a view to enlarging the relief. The paragraph does not provide, as has been assumed by the Federal Trade Commission, that during the period in question the United States shall have the right to further relief if competitive conditions have not been restored, but that the United States shall have the right to such relief upon a proper showing at the expiration of such period.

Answering specifically the first question propounded by the Senate, in my opinion the time is not ripe for further proceedings under the decree with a view to obtaining additional relief. At the expiration of the test period set up in the decree the Department of Justice, in consultation with the Federal Trade Commission, will consider what, if any, further relief may be necessary in order to effect the declared purpose of the decree and will take the necessary steps to give effect to the conclusions arrived at.

2. Responding to the alternative question asked in the resolution, I have the honor to advise you that the Department of Justice does not now contemplate any separate and independent action against the International Harvester Co. The Government having put in issue in the pending suit the entire question of the legality of the combination, and that question having been resolved in its favor and a decree entered, the Government is bound by that decree as well as the defendants, and the effect of the decree can not be avoided on the ground that it was improvidently negotiated by former officers of the Department of Justice. Unless the Harvester company shall by further acquisitions of competitors or by oppressive conduct give rise to a new cause of action, additional relief against it as a combination or monopoly will have to be obtained under the terms of the existing decree.

Respectfully,

GUY D. GOFF,  
Acting Attorney General.

#### DEATH OF REPRESENTATIVE CHARLES R. CONNELL.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 444) was read, as follows:

*Resolved*, That the House has heard with profound sorrow of the death of Hon. CHARLES R. CONNELL, a Representative from the State of Pennsylvania.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect this House do now adjourn.

Mr. PEPPER. Mr. President, I beg leave to offer the resolution which I send to the desk.

The PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 361) was read, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES R. CONNELL, late a Representative from the State of Pennsylvania.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDENT pro tempore. The question is upon agreeing to the resolution.

The resolution was unanimously agreed to.

#### DEATH OF REPRESENTATIVE JOHN I. NOLAN.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution from the House of Representatives, which will be read.

The resolution (H. Res. 445) was read, as follows:

*Resolved*, That the House has heard with profound sorrow of the death of Hon. JOHN I. NOLAN, a Representative from the State of California.

*Resolved*, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect this House do now adjourn.

Mr. SHORTRIDGE. Mr. President, I offer the resolution which I send to the desk, and ask that it may be immediately considered.

The PRESIDENT pro tempore. The Secretary will read the resolution offered by the Senator from California.

The resolution (S. Res. 362) was read, as follows:

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of the Hon. JOHN I. NOLAN, late a Representative from the State of California.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDENT pro tempore. The question is upon agreeing to the resolution.

The resolution was unanimously agreed to.

Mr. SHORTRIDGE. Mr. President, as a mark of respect to the memory of the deceased Representatives, Mr. NOLAN, of California, and Mr. CONNELL, of Pennsylvania, I move that the Senate adjourn.

The motion was unanimously agreed to; and (at 2 o'clock and 20 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, November 22, 1922, at 12 o'clock meridian.

#### HOUSE OF REPRESENTATIVES.

TUESDAY, November 21, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, clothed with patience and sympathy, Thou dost come with us day by day. In Thee is our faith, and Thou art the sum of all our hopes. Teach us our duty and show us how to employ its standards in their application to the public service. Bring all our citizens together into a true unity of interest and inspire them with a great desire for the things that shall ennoble our whole Nation. O Thou who dwellest in infinite strength, bring to pass the day when the new world shall come in which shall dwell peace, fraternity, and cooperation, and Thy glory shall cover the face of the wide earth. In the name of Jesus, the Prince of peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed the following resolutions:

Senate Resolution 357.

*Resolved*, That the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

Senate Resolution 358.

*Resolved*, That a committee consisting of two Senators be appointed, to join such committee as may be appointed by the House of Representatives, to wait upon the President of the United States and inform him that a quorum of each House is assembled and that Congress is ready to receive any communication he may be pleased to make.

Pursuant to the foregoing resolution, the Vice President had appointed Mr. LODGE and Mr. SIMMONS as members of such committee on the part of the Senate.

Senate Resolution 360.

*Resolved*, That the Senate has heard with deep regret and profound sorrow the announcement of the death of the Hon. THOMAS E. WATSON, late a Senator from the State of Georgia.

*Resolved*, That the Secretary of the Senate communicate these resolutions to the House of Representatives, and transmit a copy thereof to the family of the deceased Senator.

*Resolved*, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

The message also announced that the Senate had passed, without amendment, bills of the following titles:

H. R. 367. An act for the relief of J. Irving Brooks; and

H. R. 10144. An act conveying the peninsula of Presque Isle, Erie, Pa., to the State of Pennsylvania, its original owner, for public park purposes.



The message also announced that the Senate had passed, with amendments, bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 8062. An act amending subdivision (5a) of section 302 of the war risk insurance act.

The message also announced that the Senate had passed, without amendment, the following resolution:

House Concurrent Resolution 72.

*Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, the 21st day of November, 1922, at 12.30 o'clock in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.*

The message also announced that the Senate had passed joint resolution and bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 242. Joint resolution authorizing the erection on public grounds in the District of Columbia of a statue by José Clará personifying "Serenity."

S. 2212. An act for the future safeguarding of the White House collection of the presidential china.

S. 2872. An act to amend section 800 of the revenue act of 1921.

SENATE BILL AND JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution and bill of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. J. Res. 242. Joint resolution authorizing the erection on public grounds in the District of Columbia of a statue by José Clará personifying "Serenity"; to the Committee on the Library.

S. 2872. An act to amend section 800 of the revenue act of 1921; to the Committee on Ways and Means.

SENATE ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3300. An act granting a pension to Marie Doughty Gorgas.

APPROPRIATIONS FOR MILEAGE, ETC.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 12859, to provide for certain expenses incident to the third session of the Sixty-seventh Congress, which I send to the desk and ask to have read.

The Clerk read as follows:

*Be it enacted, etc., That the appropriations for mileage and stationery for Senators, Members of the House of Representatives, and Delegates from the Territories, and expenses of Resident Commissioners, contained in the act making appropriations for the legislative branch of the Government for the fiscal year 1923, are authorized to be paid to Senators, Members of the House of Representatives, Delegates from the Territories, and Resident Commissioners, for attendance on the third session of the Sixty-seventh Congress.*

HOUSE OF REPRESENTATIVES.

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for session employees on account of the third session of the Sixty-seventh Congress: For 42 pages at \$2.50 per day each from November 20 to December 3, 1922, inclusive, \$1,470; for 3 session telephone operators at the rate of \$75 per month each from November 20 to November 30, 1922, inclusive, \$82.50; in all, \$1,552.50.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of the bill which has just been reported. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, as I observe the first paragraph of this bill simply makes available at this time the mileage appropriation already provided for Members, Delegates, and so forth, for the regular session of this Congress.

Mr. MADDEN. That is all.

Mr. GARRETT of Tennessee. May I ask the gentleman a question which, I take it, will likely arise? Has he himself or his committee, or both, considered the question of mileage as applied to the next regular session of this Congress in the event that we make this available at this time?

Mr. MADDEN. There has been no consideration given to the question of mileage for the next regular session, but I say frankly to the gentleman from Tennessee and to the Members of the House that personally I think there ought not to be any additional mileage; that the payment of mileage already appropriated ought to apply to cover the entire period of this special session of Congress and the next regular session which will begin on December 4 next; that no additional appropriation should be made. So far as I am concerned, I am opposed to making any additional appropriation. I can not speak for the Committee on Appropriations.

Mr. GARRETT of Tennessee. I agree with the gentleman in his views, Mr. Speaker, but it seemed to me quite desirable at this time to have an official statement, and the gentleman can practically make an official statement on this subject.

Mr. MADDEN. I shall not submit for the consideration of the Committee on Appropriations any proposal to appropriate any additional sum for mileage for the period ending on the 4th of March next.

Mr. GARRETT of Tennessee. It is contemplated, of course, that this extra session will run into the other?

Mr. MADDEN. Yes; that it will merge into the regular session. I would say also, for the information of the House, that in 1913 a special session of the Congress was called on April 7. That session ran through the summer and up into the regular session of Congress beginning in December, and continued on until the next October. For 19 months the Congress was in constant session. Mileage at the beginning of the special session was made available, as this bill proposes now, but there was no additional appropriation for the regular session, and it would be unwise and unjust for us to undertake to make additional appropriations for the session about to begin on the 4th of December next and end on the 4th of March following. [Applause.]

Mr. GARRETT of Tennessee. The gentleman is following a good precedent. Will the gentleman kindly give us some information about the second paragraph, the item in respect to pages?

Mr. MADDEN. It is for the pay of the pages, who will be paid only for the period of their service from now until the 4th of December. After the regular session begins their pay is provided for in the annual appropriation bills. This is simply to meet the expenses between now and when that session begins.

Mr. GARRETT of Tennessee. I assume that this merely includes the House pages?

Mr. MADDEN. Just the House pages.

Mr. GARRETT of Tennessee. And the Senate will have to amend the bill to include their own pages?

Mr. MADDEN. Yes; if there is any such thing.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MADDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

REPORT OF COMMITTEE TO WAIT UPON THE PRESIDENT.

Mr. MONDELL. Mr. Speaker, on behalf of the committee appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House is assembled and that Congress is ready to receive any communication that he may be pleased to make, I have the honor to report that the committee has performed its duty and that the President of the United States has informed the joint committee that he will be pleased to communicate with the Congress in person to-day.

Mr. Speaker, I submit the following concurrent resolution for a joint session to receive the communication of the President of the United States, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 72.

*Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, the 21st day of November, 1922, at 12.30 o'clock in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.*

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

RECESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the House stand in recess, subject to the call of the Chair.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the House stand in recess, subject to the call of the Chair. Is there objection?

There was no objection.

Accordingly, at 12 o'clock and 14 minutes p. m., the House stood in recess.

## AFTER RECESS.

The recess having expired, the House (at 12 o'clock and 26 minutes p. m.) resumed its session.

## JOINT SESSION OF SENATE AND HOUSE.

At 12 o'clock and 27 minutes p. m. the members of the President's Cabinet entered the hall and took seats on the left of the Speaker's rostrum.

At 12 o'clock and 29 minutes p. m. the Doorkeeper announced the President pro tempore of the Senate and the Members of the Senate.

The Members of the House rose.

The Senate, preceded by their President pro tempore and their Sergeant at Arms, entered the Chamber.

The President pro tempore of the Senate took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. The Chair appoints the following committee on behalf of the House to wait upon the President and escort him to the Hall: Mr. MONDELL, Mr. GREENE of Massachusetts, Mr. EDMONDS, Mr. GARRETT of Tennessee, and Mr. LAZARO.

The PRESIDENT pro tempore of the Senate. On behalf of the Senate the Chair appoints the Senator from Massachusetts [Mr. LODGE], the Senator from North Carolina [Mr. SIMMONS], the Senator from Washington [Mr. JONES], the Senator from Louisiana [Mr. RANDELL], and the Senator from Minnesota [Mr. NELSON].

At 12 o'clock and 29 minutes p. m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House, was announced by the Doorkeeper, and stood at the Clerk's desk amid applause on the floor and in the galleries.

## ADDRESS OF THE PRESIDENT.

The PRESIDENT. Members of the Congress: Late last February I reported to you relative to the American merchant marine, and recommended legislation which the executive branch of the Government deemed essential to promote our merchant marine and with it our national welfare. Other problems were pressing and other questions pending, and for one reason or another, which need not be recited, the suggested legislation has not progressed beyond a favorable recommendation by the House committee. The committee has given the question a full and painstaking inquiry and study, and I hope that its favorable report speedily will be given the force of law.

It will be helpful in clearing the atmosphere if we start with the frank recognition of divided opinion and determined opposition. It is no new experience. Like proposals have divided the Congress on various previous occasions. Perhaps a more resolute hostility never was manifest before, and I am very sure the need for decisive action—decisive, favorable action—never was so urgent before.

We are not now dealing with a policy founded on theory; we have a problem which is one of grim actuality. We are facing insistent conditions, out of which will come either additional and staggering Government losses and national impotence on the seas, or else the unfurling of the flag on a great American merchant marine commensurate with our commercial importance, to serve as carrier of our cargoes in peace and meet the necessities of our defense in war. There is no thought here and now to magnify the relation of a merchant marine to our national defense. It is enough to recall that we entered the World War almost wholly dependent on our Allies for transportation by sea. We expended approximately three billions, feverishly, extravagantly, wastefully, and impractically. Out of our eagerness to make up for the omissions of peace and to meet the war emergency we builded and otherwise acquired the vast merchant fleet which the Government owns to-day.

In the simplest way I can say it, our immediate problem is not to build and support a merchant shipping, which I hold to be one of the highest and most worthy aspirations of any great people; our problem is to deal with what we now possess. Our problem is to relieve the Public Treasury of the drain it is already meeting. Let us omit particulars about the frenzied war-time building. Possibly we did full as well as could have been done in the anxious circumstances. Let us pass for the moment the vital relationship between a merchant marine and a commercially aspiring nation. Aye, let us suppose for a moment the absurdity that with one \$3,000,000,000 experience, and with the incalculable costs in lives and treasure which may be chargeable to our inability promptly to apply our potency—which God forefend happening again—let us momentarily

ignore all of these and turn to note the mere business problem, the practical question of dollars and cents with which we are confronted.

The war construction and the later completion of war contracts, where completion was believed to be the greater economy to the Public Treasury, left us approximately 13,200,000 gross tonnage in ships. The figures are nearer 12,500,000 tons now, owing to the scrapping of the wooden fleet. More than half this tonnage is Government owned, and approximately 2,250,000 tons are under Government operation in one form or another. The net loss to the United States Treasury—sums actually taken therefrom in this Government operation—averaged approximately \$16,000,000 per month during the year prior to the assumption of responsibility by the present administration. A constant warfare on this loss of public funds, and the draft to service of capable business management and experienced operating directors, have resulted in applied efficiency and enforced economies. It is very gratifying to report the diminution of the losses to \$4,000,000 per month, or a total of \$50,000,000 a year; but it is intolerable that the Government should continue a policy from which so enormous a Treasury loss is the inevitable outcome. This loss, moreover, attends operation of less than a third of the Government-owned fleet.

It is not, therefore, a question of adding new Treasury burdens to maintain our shipping; we are paying these burdens now. It is not a question of contracting an outlay to support our merchant shipping, because we are paying already. I am not asking your authorization of a new and added draft on the Public Treasury; I am appealing for a program to diminish the burden we are already bearing.

When your executive government knows of public expenditures aggregating fifty millions annually, which it believes could be reduced by half through a change of policy, your government would be unworthy of public trust if such a change were not commended, nay, if it were not insistently urged.

And the pity of it is that our present expenditure in losses is not constructive. It looks to no future attainments. It is utterly ineffective in the establishment of a dependable merchant marine, whereas the encouragement of private ownership and the application of individual initiative would make for a permanent creation, ready and answerable at all times to the needs of the Nation.

But I have not properly portrayed all the current losses to the Public Treasury. We are wearing out our ships without any provision for replacement. We are having these losses through deterioration now, and are charging nothing against our capital account. But the losses are there, and regrettably larger under Government operation than under private control. Only a few years of continued losses on capital account will make these losses through depreciation alone to exceed the fifty millions a year now drawn to cover losses in operation.

The gloomy picture of losses does not end even there. Notwithstanding the known war cost of \$3,000,000,000 for the present tonnage, I will not venture to appraise its cash value to-day. It may as well be confessed now as at some later time that in the mad rush to build, in establishing shipyards wherever men would organize to expend Government money, when we made shipbuilders overnight quite without regard to previous occupations or pursuits, we builded poorly, often very poorly. Moreover, we constructed without any formulated program for a merchant marine. The war emergency impelled, and the cry was for ships, any kind of ships. The error is recalled in regret rather than criticism. The point is that our fleet, costing approximately \$3,000,000,000, is worth only a fraction of that cost to-day. Whatever that fraction may be, the truth remains that we have no market in which to sell the ships under our present policy, and a program of surrender and sacrifice and the liquidation which is inevitable unless the pending legislation is sanctioned, will cost scores of millions more.

When the question is asked, Why the insistence for the merchant marine act now? the answer is apparent. Waiving every inspiration which lies in a constructive plan for maintaining prudence in safeguarding against another \$3,000,000,000 madness if war ever again impels, we have the unavoidable task of wiping out a \$50,000,000 annual loss in operation, and losses aggregating many hundreds of millions in worn-out, sacrificed, or scrapped shipping. Then the supreme humiliation, the admission that the United States—our America, once eminent among the maritime nations of the world—is incapable of asserting itself in the peace triumphs on the seas of the world. It would seem to me doubly humiliating when we own the ships and fall in the genius and capacity to turn their prows toward the marts of the world.



This problem can not longer be ignored, its attempted solution can not longer be postponed. The failure of Congress to act decisively will be no less disastrous than adverse action.

Three courses of action are possible, and the choice among them is no longer to be avoided.

The first is constructive—enact the pending bill, under which, I firmly believe, an American merchant marine, privately owned and privately operated, but serving all the people and always available to the Government in any emergency, may be established and maintained.

The second is obstructive—continue Government operations and attending Government losses and discourage private enterprise by Government competition, under which losses are met by the Public Treasury, and witness the continued losses and deterioration until the colossal failure ends in sheer exhaustion.

The third is destructive—involving the sacrifice of our ships abroad or the scrapping of them at home, the surrender of our aspirations, and the confession of our impotence to the world in general, and our humiliation before the competing world in particular.

A choice among the three is inevitable. It is unbelievable that the American people or the Congress which expresses their power will consent to surrender and destruction. It is equally unbelievable that our people and the Congress which translates their wishes into action will longer sustain a program of obstruction and attending losses to the Treasury.

I have come to urge the constructive alternative, to reassert an American "We will." [Applause.] I have come to ask you to relieve the responsible administrative branch of the Government from a program upon which failure and hopelessness and staggering losses are written for every page, and let us turn to a program of assured shipping to serve us in war and to give guaranty to our commercial independence in peace.

I know full well the hostility in the popular mind to the word "subsidy." It is stressed by the opposition and associated with "special privilege" by those who are unfailing advocates of Government aid whenever vast numbers are directly concerned. "Government aid" would be a fairer term than "subsidy" in defining what we are seeking to do for our merchant marine, and the interests are those of all the people, even though the aid goes to the few who serve.

If Government aid is a fair term—and I think it is—to apply to authorizations aggregating \$75,000,000 to promote good roads for market highways, it is equally fit to be applied to the establishment and maintenance of American market highways on the salted seas. If Government aid is the proper designation for fifteen to forty millions annually expended to improve and maintain inland waterways in aid of commerce, it is a proper designation for a needed assistance to establish and maintain ocean highways where there is actual commerce to be carried.

But call it "subsidy," since there are those who prefer to appeal to mistaken prejudice rather than make frank and logical argument. We might so call the annual loss of fifty millions, which we are paying now without protest by those who most abhor, we might as well call that a "subsidy." If so, I am proposing to cut it in half, approximately, and to the saving thus effected there would be added millions upon millions of further savings through ending losses on capital account—Government capital, out of the Public Treasury, always remember—and there would be at least the promise and the prospect of the permanent establishment of the needed merchant marine.

I challenged every insinuation of favored interests and the enrichment of the special few at the expense of the Public Treasury. I am, first of all, appealing to save the Treasury. Perhaps the unlimited bestowal of Government aid might justify the apprehension of special favoring, but the pending bill, the first ever proposed which carries such a provision, automatically guards against enrichment or perpetuated bestowal. It provides that shipping lines receiving Government aid must have their actual investment and their operating expenses audited by the Government, that Government aid will only be paid until the shipping enterprise earns 10 per cent on actual capital employed, and immediately that when more than 10 per cent earning is reached half of the excess earnings must be applied to the repayment of the Government aid which has been previously advanced. Thus the possible earnings are limited to a very reasonable amount if capital is to be risked and management is to be attracted. If success attends, as we hope it will, the Government outlay is returned, the inspiration of opportunity to earn remains, and American transportation by sea is established.

Though differing in detail, it is not more in proportion to their population and capacity than other great nations have

done in aiding the establishment of their merchant marines, and it is timely to recall that we gave them our commerce to aid in their upbuilding, while the American task now is to upbuild and establish in the face of their most active competition. Indeed, the American development will have to overcome every obstacle which may be put in our path, except as international comity forbids. Concern about our policy is not limited to our own domain, though the interest abroad is of very differing character. I hope it is seemly to say it, because it must be said, the maritime nations of the world are in complete accord with the opposition here to the pending measure. They have a perfect right to such an attitude. When we look from their viewpoints we can understand. But I wish to stress the American viewpoint. Ours should be the viewpoint from which one sees American carriers at sea, the dependence of American commerce, and American vessels for American reliance in the event of war. Some of the costly lessons of war must be learned again and again, but our shipping lesson in the World War was much too costly to be effaced from the memory of this or future generations.

Not so many months ago the head of a company operating a fleet of ships under our flag called at the Executive Offices to discuss a permit to transfer his fleet of cargo vessels to a foreign flag, though he meant to continue them in a distinctly American service. He based his request for transfer on the allegation that by such a transfer he could reduce his labor costs alone sufficiently to provide a profit on capital invested. I do not vouch for the accuracy of the statement nor mean to discuss it. The allusion is made to recall that in good conscience Congress has created by law conditions surrounding labor on American ships which shipping men the world over declare result in higher costs of operation under our flag. I frankly rejoice if higher standards for labor on American ships have been established. Merest justice suggests that when Congress fixes these standards it is fair to extend Government aid in maintaining them until world competition is brought to the same high level, or until our shipping lines are so firmly established that they can face world competition alone. [Applause.]

Having discussed in detail the policy and provisions of the pending bill when previously addressing you, I forbear a repetition now. In individual exchanges of opinion not a few in House or Senate have expressed personal sympathy with the purposes of the bill and then uttered a discouraging doubt about the sentiment of their constituencies. It would be most discouraging if a measure of such transcending national importance must have its fate depend on geographical, occupational, professional, or partisan objections. Frankly, I think it loftier statesmanship to support and commend a policy designed to effect the larger good to the Nation than merely to record the too hasty impressions of a constituency. Out of the harmonized aspirations, the fully informed convictions, and the united efforts of all the people will come the greater Republic. Commercial eminence on the seas, ample agencies for the promotion and carrying of our foreign commerce, are of no less importance to the people of Mississippi and the Missouri Valley, the great Northwest, and the Rocky Mountain States than to the seaboard States and industrial communities building inland a thousand miles or more. It is a common cause, with its benefits commonly shared. When people fail in the national viewpoint, and live in the confines of community selfishness or narrowness, the sun of this Republic will have passed its meridian, and our larger aspirations will shrivel in the approaching twilight.

But let us momentarily put aside the aspiring and inspiring viewpoint. The blunt, indisputable fact of the loss of fifty millions a year under Government operation remains; likewise the fast diminishing capital account, the enormous war expenditure, to which we were forced because we had not fittingly encouraged and builded as our commerce expanded in peace. Here are facts to deal with, not fancies wrought out of our political and economic disputes. The abolition of the annual loss and the best salvage of the capital account are of concern to all the people.

It is my firm belief that the combined savings of operating losses and the protection of the capital account through more advantageous sales of our war-built or war-seized ships, because of the favoring policy which the pending bill will establish, will more than pay every dollar expended in Government aid for 25 years to come.

It should be kept in mind that the approximate sum of five millions annually paid for the transport of ocean mails is no new expenditure. It should be kept in mind that the loan fund to encourage building is not new; it is the law already,

enacted by the essential unanimous vote of Congress. It is only included in the pending bill in order to amend so as to assure the exaction of a minimum interest rate by the Government, whereas the existing law leaves the grant of building loans subject to any whim of favoritism.

It should be kept in mind, also, that there are assured limitations of the Government aid proposed. The direct aid, with ocean carrying maintained at our present participation, will not reach twenty millions a year, and the maximum direct aid, if our shipping is so promoted that we carry one-half our deep-seas commerce, will not exceed thirty millions annually. At the very maximum of outlay we should be saving twenty millions of our present annual operating loss. If the maximum is ever reached, the establishment of our merchant marine will have been definitely recorded and the Government-owned fleet fortunately liquidated.

From this point of view it is the simple, incontestable wisdom of businesslike dealing to save all that is possible of the annual loss and avoid the millions sure to be lost to the Government's capital account in sacrificing our fleet. But there is a bigger, broader, more inspiring viewpoint, aye, a patriotic viewpoint. I refer to the constructive action of to-day, which offers the only dependable promise of making our war-time inheritance of ships the foundation of a great agency of commerce in peace and an added guaranty of service when it is necessary to our national defense.

Thus far I have been urging Government aid to American shipping, having in mind every interest of our producing population, whether of mine, factory, or farm, because expanding commerce is the foremost thought of every nation in the world to-day.

I believe in Government aid becomingly bestowed. We have aided industry through our tariffs; we have aided railway transportation in land grants and loans. We have aided the construction of market roads and the improvement of inland waterways. We have aided reclamation and irrigation and the development of water power; we have loaned for seed grains in anticipation of harvests. We expend millions in investigation and experimentation to promote a common benefit, though a limited few are the direct beneficiaries. We have loaned hundreds of millions to promote the marketing of American goods. It has all been commendable and highly worth while.

At the present moment the American farmer is the chief sufferer from the cruel readjustments which follow war's inflation, and befitting Government aid to our farmers is highly essential to our national welfare. No people may safely boast a good fortune which the farmer does not share.

Already this Congress and the administrative branch of the Government have given willing ear to the agricultural plea for postwar relief, and much has been done which has proven helpful. Admittedly, it is not enough. Our credit systems, under Government provision and control, must be promptly and safely broadened to relieve our agricultural distress. [Applause.]

To this problem and such others of pressing importance as reasonably may be dealt with in the short session I shall invite your attention at an early day.

I have chosen to confine myself to the specific problem of dealing with our merchant marine because I have asked you to assemble two weeks in advance of the regularly appointed time to expedite its consideration. The executive branch of the Government would feel itself remiss to contemplate our yearly loss and attending failure to accomplish if the conditions were not pressed for your decision. More, I would feel myself lacking in concern for America's future if I failed to stress the beckoning opportunity to equip the United States to assume a befitting place among the nations of the world whose commerce is inseparable from the good fortunes to which rightfully all peoples aspire. [Applause, the Members rising.]

At 1 o'clock and 4 minutes p. m. the President and the Members of his Cabinet retired from the Hall of the House.

Whereupon the President pro tempore and the Members of the Senate returned to their Chamber.

The SPEAKER. The joint session of the two Houses is now adjourned.

At 1 o'clock and 8 minutes p. m. the House resumed its session.

#### LEAVE OF ABSENCE.

By unanimous consent—

Mr. CABLE (on request of Mr. ARENTZ) was granted leave of absence on account of important business.

Mr. BELL (on request of Mr. GARRETT of Tennessee) was granted leave of absence indefinitely on account of personal illness.

Mr. MCARTHUR (on request of Mr. HAWLEY) was granted leave of absence on account of illness and important business.

#### ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

Mr. GARRETT of Tennessee. Mr. Speaker, I think it would be interesting if the gentleman would withhold his motion for a moment to permit an inquiry. It would be interesting to Members of the House generally if they could know, providing the gentleman from Wyoming is in a position to state it, what the program will be to-morrow.

Mr. MONDELL. Mr. Speaker, the chairman of the Committee on Rules may present a rule to-morrow for the consideration of the shipping bill. That is likely to be done, although it has not been absolutely determined upon, but it is my expectation that a rule will be presented to-morrow for the consideration of the bill the balance of the week, beginning Thursday.

Mr. GARRETT of Tennessee. To-morrow, of course, is Calendar Wednesday.

Mr. MONDELL. To-morrow would be Calendar Wednesday if it were not for the fact that we are within two weeks of the end of the session.

Mr. GARRETT of Tennessee. Well, Mr. Speaker, the gentleman understands one or two gentlemen desired a few minutes in which to address the House to-morrow, and I understood from the gentleman earlier in the day that that could be arranged.

Mr. MONDELL. I think that can be arranged, I will say to the gentleman.

Mr. DAVIS of Tennessee. Mr. Speaker, the Committee on the Merchant Marine and Fisheries reported a revised bill to-day and I am advised that they have also filed a supplemental report and we have not had an opportunity to see it, and it may not be printed. I do not know just when, but representing those who are opposed to the bill I ask the privilege of having time within which to file minority views, say, until and including Saturday.

Mr. MONDELL. Not to interfere with the consideration of the measure, Mr. Speaker.

Mr. DAVIS of Tennessee. I agree to that modification.

The SPEAKER. The gentleman from Tennessee asks unanimous consent to have time within which to file minority views, not to interfere with the consideration of the measure. Is there objection?

There was no objection.

#### ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Wednesday, November 22, 1922, at 12 o'clock noon.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GREENE of Massachusetts; Committee on the Merchant Marine and Fisheries. H. R. 12817. A bill to amend and supplement the merchant marine act, 1920, and for other purposes; without amendment (Rept. No. 1257). Referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12387) granting an increase of pension to Emily E. Patison; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12657) granting an increase of pension to George W. Powell; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12723) granting a pension to Lewis Maple; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 12860) amending section 1 of the interstate commerce act; to the Committee on Interstate and Foreign Commerce.

By Mr. STEVENSON: A bill (H. R. 12861) providing for the erection of a monument at Cowpens battle ground, Cherokee County, S. C., commemorative of Gen. Daniel Morgan and those who participated in the Battle of Cowpens on the 17th day of January, 1781; to the Committee on the Library.



By Mr. McPHERSON: A bill (H. R. 12862) granting pensions to certain soldiers and sailors of the World War; to the Committee on Interstate and Foreign Commerce.

By Mr. PARKS of Arkansas: A bill (H. R. 12863) for the purchase of a site and the erection of a building thereon at Warren, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. BACHARACH: A bill (H. R. 12864) to provide for the purchase of a site and the erection of a new public building at Pleasantville, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. FOSTER: A bill (H. R. 12865) granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows; to the Committee on Invalid Pensions.

By Mr. CHRISTOPHERSON: Joint resolution (H. J. Res. 390) proposing an amendment to the Constitution of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. CAMPBELL of Kansas: Resolution (H. Res. 446) for the immediate consideration of H. R. 12817; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 12866) for the relief of Thomas N. Emley; to the Committee on Claims.

By Mr. FAUST: A bill (H. R. 12867) granting a pension to Elizabeth E. Shaw; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 12868) for the relief of Bernard Joseph Maley; to the Committee on Claims.

Also, a bill (H. R. 12869) for the relief of Frank A. Brown; to the Committee on Claims.

Also, a bill (H. R. 12870) granting a pension to John H. Gibbs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12871) granting an increase of pension to Ruben Riley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12872) granting a pension to Thomas Flynn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12873) granting an increase of pension to Paul Claire; to the Committee on Pensions.

By Mr. FOSTER: A bill (H. R. 12874) granting a pension to Robert Clyde McBride; to the Committee on Pensions.

Also, a bill (H. R. 12875) granting a pension to Tracey M. Halley; to the Committee on Pensions.

Also, a bill (H. R. 12876) granting a pension to Elizabeth Hawthorne; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12877) granting a pension to Jennie Foster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12878) granting a pension to Emma Van Duyn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12879) granting a pension to Ella Knowlton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12880) granting a pension to Margaret J. Essex; to the Committee on Invalid Pensions.

By Mr. MOORE of Illinois: A bill (H. R. 12881) granting a pension to James A. Kelley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12882) granting an increase of pension to James H. Barker; to the Committee on Pensions.

By Mr. SEARS: A bill (H. R. 12883) granting a pension to Bertha Mann; to the Committee on Invalid Pensions.

By Mr. SMITHWICK: A bill (H. R. 12884) for the relief of John N. Halladay; to the Committee on Claims.

By Mr. SNYDER: A bill (H. R. 12885) granting a pension to Susan B. Cantlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12886) to reimburse E. W. Hardendorf for supplies furnished the submarine chaser No. 328; to the Committee on Claims.

By Mr. STRONG of Pennsylvania: A bill (H. R. 12887) granting a pension to Jacob F. Rosenberger; to the Committee on Invalid Pensions.

By Mr. TEMPLE: A bill (H. R. 12888) granting a pension to Lizzie C. Masters; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 12889) granting a pension to William B. Kimbrel; to the Committee on Invalid Pensions.

By Mr. VOLK: A bill (H. R. 12890) for the relief of George E. Doty; to the Committee on Claims.

Also, a bill (H. R. 12891) granting a pension to John F. Kilbride; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6420. By the SPEAKER (by request): Petition of San Francisco Labor Council, regarding the impeachment of the Attorney General and Federal Judge Wilkerson; to the Committee on the Judiciary.

6421. By Mr. CULLEN: Petition of the National Legislative Committee of the American Legion, Washington, D. C., favoring adjusted compensation for soldiers of the late war; to the Committee on Ways and Means.

6422. By Mr. KAHN: Petition of the National Legislative Committee of the American Legion, Washington, D. C., favoring retirement of enlisted men of the Army after 25 years' service with retired pay of not less than \$100 per month and allowances; to the Committee on Military Affairs.

6423. Also, petition of the National Legislative Committee of the American Legion, Washington, D. C., favoring the passage of S. 1565, providing for retirement under certain conditions of officers of the United States Army, other than officers of the Regular Army, who incurred physical disability in line of duty while in the service of the United States during the World War; to the Committee on Military Affairs.

6424. By Mr. KISSEL: Petition of the Armenian Committee, of New Orleans, La., favoring freedom of Armenia; to the Committee on Foreign Affairs.

6425. By Mr. ROSSDALE: Petition of Creston Avenue Baptist Church, New York City, regarding the Turkish situation; to the Committee on Foreign Affairs.

6426. By Mr. SNYDER: Resolution of the Women's Club of Albuquerque, N. Mex., in regard to the proposed all-the-year national park in southern New Mexico; to the Committee on Indian Affairs.

6427. Also, petition of the South Congregational Church of Utica, N. Y., favoring adequate protection of the minority population under Turkish rule and asking representation on the part of the United States in Near East affairs; to the Committee on Foreign Affairs.

#### SENATE.

WEDNESDAY, November 22, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Gracious Father, Thou hast been with us in the days gone by. Thou art still the helper of those who trust in Thee. We can rely upon Thine own strong arm, Thy wisdom, and Thy graciousness in all the perplexities and burdens of life. Give us light in our darkness, strength in our weakness, and hope in our despondency, and ever lead us onward through the mazes and contradictions of possible trouble. We ask in Jesus' name. Amen.

CARTER GLASS, a Senator from the State of Virginia, and CHARLES A. RAWSON, a Senator from the State of Iowa, appeared in their seats to-day.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### CALL OF THE ROLL.

Mr. HARRIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Fletcher	McKellar	Simmons
Bayard	Frelinghuysen	McKinley	Smith
Borah	Glass	McNary	Smoot
Brandeggee	Gooding	Nelson	Spencer
Broussard	Hale	Nicholson	Stanfield
Cameron	Harrell	Norris	Sterling
Capper	Harris	Overman	Sutherland
Caraway	Harrison	Page	Swanson
Colt	Heflin	Pepper	Trammell
Culberson	Hitchcock	Pittman	Wadsworth
Cummins	Kellogg	Pomerene	Walsh, Mass.
Curtis	Keyes	Ransdell	Walsh, Mont.
Dial	Ladd	Rawson	Warren
Edge	La Follette	Reed, Pa.	Willis
Ernst	Lodge	Sheppard	
Felton	McCumber	Shortridge	

Mr. HEFLIN. My colleague [Mr. UNDERWOOD] is absent on account of illness.

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. There is a quorum present. The Senate will receive a message from the House of Representatives.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 12859) to provide for certain expenses incident to the third session of the Sixty-seventh Congress, in which it requested the concurrence of the Senate.

#### ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed enrolled bills of the following titles and they were thereupon signed by the President pro tempore:

S. 3300. An act granting a pension to Marie Doughty Gorgas; H. R. 307. An act for the relief of J. Irving Brooks; and H. R. 10144. An act conveying the peninsula of Presque Isle, Erie, Pa., to the State of Pennsylvania, its original owner, for public park purposes.

#### ADDRESS BY MRS. REBECCA LATIMER FELTON, SENATOR FROM GEORGIA.

Mrs. FELTON. Mr. President, in my very remarkable campaign in Georgia, which, contrary to precedent, all came along after I was selected, one of the very amusing things that came to me by mail was a cartoon from San Antonio, Tex. The cartoon represented the United States Senate in session. The seats seemed to be fully occupied, and there appeared in the picture the figure of a woman who had evidently entered without sending in her card. The gentlemen in the Senate took the situation variously. Some seemed to be a little bit hysterical, but most of them occupied their time looking at the ceiling. Over the cartoon was written the wonderful words, "Will they ask the lady to take a chair?" [Laughter.] I want to return my thanks to-day for the beautiful, hospitable welcome that you have accorded to the lady when you gave her a chair.

I also want to return thanks to the noble men of Georgia. Georgia was very slow in her promises with reference to woman's suffrage. She has been rapid to perform, for Georgia is the first State in the Federal Union composed of 48 States where one chivalric governor went to the front and said, "Send that old lady there and let her look at the Senate for even a day."

The Senator elect from Georgia, Mr. GEORGE, said, "She shall have her day there," and I want to thank him in this presence. He is a worthy successor. I want to plead for your gracious attention to him. He has been most chivalric. The sitting Senator from Georgia [Mr. HARRIS] has been most obliging. Indeed, I feel that I am the happiest woman in the United States. I am at home in the Senate for a day. I appreciate this wonderful hospitality and the beautiful attention thus accorded to me.

I want to say further that I commend to your attention the 10,000,000 women voters who are watching this incident. It is a romantic incident, Senators, but it is also a historical event. If Lady Astor, from the State of Virginia, can go to London and be accepted as a member of the British House of Commons, you can take this remnant of the old South that has never flickered in her patriotism to her country and be very well assured that she is not going to discredit her commission.

Let me say, Mr. President, that when the women of the country come in and sit with you, though there may be but very few in the next few years, I pledge you that you will get ability, you will get integrity of purpose, you will get exalted patriotism, and you will get unstinted usefulness.

Mr. President and Senators, I thank you very much for this hearing. [Applause on the floor and in the galleries.]

#### SENATOR FROM GEORGIA.

Mr. HARRIS. Mr. President, I present the credentials of WALTER F. GEORGE, Senator elect from the State of Georgia. I ask that his credentials may be read and that the oath of office be administered to him.

The credentials were read and ordered to be filed, as follows:

EXECUTIVE DEPARTMENT,  
Atlanta.

#### TO THE PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1922, WALTER F. GEORGE was duly chosen by the qualified electors of the State of Georgia a Senator from said State to represent said State in the Senate of the United States for the unexpired term of the late Senator THOMAS E. WATSON, ending March 4, 1927.

Witness: His excellency our governor, Thomas W. Hardwick, and our seal hereto affixed at the capitol this 18th day of November, in the year of our Lord 1922.

THOMAS W. HARDWICK, Governor.

By the governor:  
[SEAL.]

S. G. MCLENDON,  
Secretary of State.

The PRESIDENT pro tempore. The Senator elect from Georgia will present himself at the desk and take the oath of office.

Mr. GEORGE, escorted by Mr. HARRIS, advanced to the Vice President's desk; and the oath prescribed by law having been administered to him, he took his seat in the Senate.

#### EXPENSES OF THIRD SESSION, SIXTY-SEVENTH CONGRESS.

The bill (H. R. 12859) to provide for certain expenses incident to the third session of the Sixty-seventh Congress was read twice by its title.

Mr. WARREN. I move that the bill be referred to the Committee on Appropriations.

The motion was agreed to.

Mr. WARREN. Mr. President, the Committee on Appropriations have already been in consultation in reference to the bill which has just been referred to that committee, and I am directed to report it favorably and to ask for its immediate consideration.

The PRESIDENT pro tempore. The Senator from Wyoming asks unanimous consent for the immediate consideration of the bill just reported. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. WARREN. I move the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Wyoming will be read.

The ASSISTANT SECRETARY. On page 1, after line 11, under the head of "Senate," it is proposed to insert:

For 16 pages for the Senate Chamber, at the rate of \$2.50 per day each from November 20, 1922, to December 3, 1922, both dates inclusive, \$560.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### ADDRESS BY SENATOR RANDELL.

Mr. WILLIS. Mr. President, on November 10 last in New York, at the meeting of the National Merchant Marine Association held at the Grand Central Palace, the senior Senator from Louisiana [Mr. RANDELL] made a very instructive and interesting address relative to aid for shipping. I ask unanimous consent that his address may be printed in the Record in the regular 8-point type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type as follows:

"To the members of the National Merchant Marine Association and to the other friends of the American merchant marine here to-night, I want to express, with all the emphasis in my power, my firm conviction that the problem of American shipping can not properly be regarded as a partisan issue, and that to treat it on the basis of politics will be disastrous not only to the merchant marine but to the Nation as well.

"Our shipping is no more a Republican or a Democratic institution than our Army or our Navy, to each of which it constitutes an indispensable adjunct held in reserve. It can no more be dispensed with than they can. It is not a luxury but a national necessity, for in it are combined a weapon of defense for the American Nation and an instrument to safeguard American industry.

"No matter what party might have been in power during the war, an expanded merchant marine must have been provided. No matter what party is in power now, our new-born merchant marine must be maintained. For just as no party truly representative of the American people could have shirked the responsibility of meeting the war need of providing ships to protect our fighting forces, so no party with the interests of the Nation at heart can now shirk the responsibility of keeping our flag on the seas.

"It was under a Democratic administration that the millions of tons of ships we now have were built. It is under a Republican administration that their future must be provided for. And if the American merchant marine fails, if it is abandoned and our place on the seas is surrendered to foreigners, together with our control of our own commerce, such a result must bring discredit to the Democracy that fathered the fleet, as well as to the Republicans that adopted it.

"I need not emphasize to you that failure is inevitable unless prompt steps are taken to equip our merchant marine so that



the increasingly successful competition of foreigners can be met. Following the war the bulk of our imports and exports was carried in American ships, whereas to-day two-thirds of our overseas trade is transported by foreign vessels. In this change are reflected the steps whereby other nations, with their cheaper built and cheaper operated ships, aided by national support, have taken our carrying trade away from us. Our elimination as a commercial sea power of importance is inevitable unless vigorous legislation is promptly enacted that will enable us to regain our rightful place on the seas.

"Legislation designed to meet the situation has been prepared and is awaiting action by Congress. It provides for American shipping what every other maritime nation of importance has given to its merchant marine—subsidization. In addition, other aids are specified, calculated not only to benefit the ship and the shipper but the manufacturer, merchant, farmer, labor, and the Nation as a whole.

"I hear it stated from time to time that the Democratic Party can not support a plan of subsidy because the policies of the party are fundamentally opposed to such a policy. History, however, shows us that the very reverse is true. Under the early shipping policies of the Democracy the American merchant marine was developed to a point of efficiency and power beyond the trade fleets of all other nations. Under the laws framed by the founders of the Republic we had discriminating duties in favor of goods carried in American vessels, and as a result of these we transported nine-tenths of our exports and imports under our own flag for many years. Just before the late war, however, conditions had become exactly reversed, and it was the foreigner who carried the nine-tenths of our ocean commerce.

"What had happened? In the period from 1828 to 1850 we gradually gave up discriminations against the vessels of those nations which agreed not to discriminate against us. And then, when our hands were tied, foreign nations began to take up effectively the subsidization of their own vessels and our sea power began to wane.

"It was the Democracy which stepped into the breach at this crisis in American shipping affairs and initiated the American policy of ship subsidies. Two southern statesmen began it—Senator Thomas Butler King, of Georgia, and Senator Thomas J. Rusk, of Texas. Both advocated annual appropriations for the carrying of mails and the encouragement of American steamship building and navigation. President Polk stood strongly for this policy, and in 1845 and 1847 Congress passed legislation to this end. As to the effectiveness of this step inaugurated by the Democratic Party let me offer some Republican testimony from the majority report of the Merchant Marine Commission of 1904-5. That body was appointed by Congress and headed by the late Senator Gallinger. The report says:

"As a result of this enlightened statesmanship, the United States from 1850 onward for several years built more ocean steamships than Great Britain did, and better steamships, superior in size, speed, power, and commercial value. \* \* \* The national policy thus approved would doubtless have continued unbroken to the present day but for the fierce and deplorable sectional quarrel that immediately preceded the Civil War. \* \* \* In the white heat of this quarrel the mail subventions were withdrawn and the North Atlantic steamships, struggling hard with subsidized British rivals, were abandoned.

"The report continues—

"It is sometimes said that this national effort to create a steam fleet by mail subventions failed of its purpose. But it failed only because the effort was given up in the very crisis of the contest. A few years more would probably have made our steamships as securely masters of the North Atlantic as our packet ships and clipper ships had been before them.

"This tribute to subsidization, penned nearly 20 years ago, has an even greater bearing to-day than then, for now we have a mighty nucleus in hand for a mighty fleet. The ships are here, but they must be vested with competitive power before it is too late. Support of subsidy will not be an abandonment of Democratic policies but a renewal of the very ones on which the American merchant marine was set forth on a voyage to sea supremacy that ended with the goal in sight, and only then because the sailing orders were canceled. Let us not make this mistake again."

#### THE MERCHANT MARINE.

Mr. FLETCHER. Mr. President, I have a communication from the National Board of Farm Organizations transmitting certain resolutions adopted by that organization on the subject referred to in the address which has just been ordered printed in the RECORD. I ask that the communication may be printed in the RECORD and referred to the Committee on Commerce.

There being no objection, the resolutions were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C.,  
November 21, 1922.

Senator DUNCAN U. FLETCHER,  
Senate Office Building, Washington, D. C.

DEAR SENATOR FLETCHER: The National Board of Farm Organizations has taken a very strong position on the so-called ship subsidy measure. A copy of our resolutions against this bill is inclosed herewith.

Respectfully yours,

NATIONAL BOARD OF FARM ORGANIZATIONS,  
By CHAS. A. LYMAN, Secretary.

REPORT OF MEETING OCTOBER 11, 12, 13, 1922.

NATIONAL BOARD FARM ORGANIZATIONS,  
Washington, D. C., October 19, 1922.

SHIP SUBSIDY OPPOSED BY NATIONAL BOARD OF FARM ORGANIZATIONS.

Ship subsidy in general and ship subsidy in particular as embodied in the Jones-Greene bill H. R. 12021 are emphatically opposed by the National Board of Farm Organizations.

Clear-cut opposition to the ship subsidy bill is expressed in the resolution adopted by the semiannual conference of the National Board of Farm Organizations, held at its headquarters, 1731 Eye Street NW., Washington, D. C., October 11-13. The resolution reads as follows:

"Whereas it is apparent that the question of granting subsidies to our merchant shipping will soon be brought to a vote in Congress; and

"Whereas the farmers of the United States have been traditionally opposed to the granting of such subsidies; and

"Whereas the plan embodied in the Jones-Greene bill, which is now under consideration, contains many provisions that are extremely objectionable and would, in our opinion, be detrimental to the best interest of the country as a whole, if enacted: Therefore be it

"Resolved, That this body record an emphatic protest against the passage of this proposed legislation."

This opposition to the ship subsidy bill confirms the position taken by the directors of the National Board of Farm Organizations in regularly called session, July 5-6, in which it was stated that "the board desires emphatically to go on record against the ship subsidy bill, known as H. R. 12021." The resolution adopted at that time, in part, stated:

"Wherever bona fide groups of organized farmers have assembled in the past to consider this long-agitated question of ship subsidy the sentiment against it has been overwhelming; and during the recent months as farmers have been learning of this particular measure their voices have been raised against it more forcibly than ever.

"In addition to being opposed in principle to subsidizing private shippers or shipping corporations we wish to point out a few of the many objectionable features of the bill.

"Unprecedented and unwarranted autocratic powers are vested in the Shipping Board, as may be gathered from the fact that it is not required to make any financial accounting to Congress or the President, while at the same time it is permitted to sell Government-owned ships at private sale without competitive bidding.

"Ships costing several billions of dollars can and probably will be sold at 10 cents on the dollar, it is estimated. We shall lend over \$100,000,000 at 2 per cent interest to recondition these ships when sold, and then pay the owners in round numbers, \$150,000,000 in subsidies besides in the next few years.

The National Board of Farm Organizations protests the contemplated program, the effect of which can only end in disaster to the Nation. We earnestly request Congress to reject the measure."

#### PETITIONS.

Mr. CAPPER presented a petition of students of the senior division, Reserve Officers' Training Corps, of the Kansas State Agricultural College, at Manhattan, Kans., praying for the enactment of legislation granting 50 cents per day to members of the senior division of the Reserve Officers' Training Corps, which was referred to the Committee on Military Affairs.

Mr. WILLIS presented resolutions adopted by the Presbyterian Church of New Harrisburg; the Presbyterian, United Presbyterian, Methodist Episcopal, Reformed, Church of Christ, and Lutheran Churches of Carrollton; the Methodist Episcopal and the Methodist Protestant Churches of Arlington; the Methodist Protestant, Methodist Episcopal, and Presbyterian Churches of Forrest; the Presbyterian, the Methodist Episcopal, the Lutheran, and Church of Christ Churches of Minerva; the Methodist, the Protestant Episcopal, the Evangelical Reformed, the English Lutheran, and the Presbyterian Churches of Upper Sandusky; and the Presbyterian and Methodist Episcopal Churches of Malvern, all in the State of Ohio, favoring the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented the petition of Rev. W. E. Watson and 200 other citizens of Steubenville, Ohio, praying for the enactment of the so-called Dyer antilynching bill, which was referred to the Committee on the Judiciary.

Mr. REED of Pennsylvania presented resolutions adopted by the Woman's Home Missionary Society of the Methodist Episcopal Church at Pittsburgh and the Conemaugh Presbytery at Shelocta, both in the State of Pennsylvania, praying an amendment of the Constitution authorizing the enactment of uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Conemaugh Presbytery at Shelocta and the Woman's Home Missionary Society of the Methodist Episcopal Church at Pittsburgh, both in the State of Pennsylvania, favoring an amendment of the Constitution prohibiting polygamy, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Conemaugh Presbytery at Shelocta; the united churches of Mifflintown, the united Protestant churches of Lewistown, the Lutheran Church of Georgetown, the united Presbyterian churches of Middleburg, the united churches of Reedsville, the Church of the Brethren of Huntingdon, and St. Peter's Reformed Church of Kelly Township, Union County, all in the State of Pennsylvania, praying for the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. LADD presented the petitions of Mrs. Mable Filbin and 7 others, of Steele; J. N. Horgan and 17 others, of Neche; Seb Urlaub and 9 others, of Leroy; Mrs. Bert Johnson and 25 others, of Flaxton; Mrs. Clara Niles and 9 others, of Barton; Andrew Hamark and 5 others, of Hamar; Frank J. Lyon and 18 others, of Dogden; Andrew Ornhold and 13 others, of Williston; A. A. Delzer and 8 others, of Zeeland; Erwin Mattson and 9 others, of Fullerton; Peter Fincher and 11 others, of Menoken; Henry N. Hoganson and 2 others, of Lisbon; J. E. Kiefer and 42 others, of Hague; Mrs. J. O. Olson and 6 others, of White Earth; George Kunrath and 29 others, of Oakes; William Oelke and 7 others, of Hazen; C. P. Christianson and 30 others, of Bowbells; Mrs. H. B. French and 11 others, of Bowman; Mrs. J. C. Hopkins and 16 others, of Ryder; J. F. Clemons and 8 others, of Adrian; all in the State of North Dakota, praying for the enactment of legislation stabilizing the price of wheat, which were referred to the Committee on Agriculture and Forestry.

#### BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4043) for the relief of Wyatt A. Marshall; and

A bill (S. 4044) authorizing the cancellation of the Indian trust patent which issued to Justine Sayers; to the Committee on Public Lands and Surveys.

By Mr. STERLING (for Mr. ODDIE):

A bill (S. 4045) to regulate and control unincorporated cooperative contract loan, savings, and investment institutions operating under declarations of trust in the District of Columbia; to the Committee on the District of Columbia.

By Mr. McKELLAR:

A bill (S. 4046) granting a pension to James R. Lewis; to the Committee on Pensions.

By Mr. KEYES:

A bill (S. 4047) providing for a readjustment of the rates of pay of chief pay clerks and chief pharmacists; to the Committee on Naval Affairs.

By Mr. HARRIS:

A bill (S. 4048) to pay \$7,500 to Georgia Durham Watson; to the Committee on Appropriations.

By Mr. CURTIS:

A bill (S. 4049) for the relief of Joseph Edmund Hanlon (with accompanying papers); to the Committee on Claims.

By Mr. NORRIS:

A bill (S. 4050) to provide for the purchase and sale of farm products; to the Committee on Agriculture and Forestry.

By Mr. FRELINGHUYSEN:

A bill (S. 4051) to reinstate the lapsed term and converted insurance of Edward Owens Holloway; to the Committee on Finance.

A bill (S. 4052) to amend the retirement laws affecting certain grades of Army officers; to the Committee on Military Affairs.

A bill (S. 4053) for the relief of Edward Owens Holloway; to the Committee on Claims.

By Mr. McKELLAR:

A joint resolution (S. J. Res. 246) providing for the delivery of mail notwithstanding failure to provide receptacles therefor; to the Committee on Post Offices and Post Roads.

#### ADDITIONAL SENATE PAGES.

Mr. LODGE submitted the following resolution (S. Res. 363), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Sergeant at Arms of the Senate be, and he hereby is, authorized and directed to employ five additional pages for the Senate Chamber, to serve from November 20, 1922, to March 31, 1923, and to be paid at the rate of \$2.50 per day each out of the miscellaneous items of the contingent fund of the Senate.

#### MERGER OF MEAT PACKERS.

Mr. LA FOLLETTE. I offer a Senate resolution and ask to have it read and that it then lie upon the table to be called up by me at the earliest opportunity.

The resolution (S. Res. 364) was read and ordered to lie on the table, as follows:

*Resolved*, That the Secretary of Agriculture be, and hereby is, requested to report immediately to the Senate all information now in his possession relating to any proposed merger or mergers of large meat-packing companies, accompanying said report with a statement of the number of animals annually slaughtered under Federal inspection since January 1, 1919, and the proportion slaughtered by each of the five principal packers with their subsidiary and affiliated companies; also to report what action, if any, he has taken or contemplates taking in reference to such proposed merger.

#### FUNERAL EXPENSES OF THE LATE SENATOR WATSON OF GEORGIA.

Mr. HARRIS submitted the following resolution (S. Res. 365), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate the actual and necessary expenses incurred by the committee in arranging for and attending the funeral of the Hon. THOMAS E. WATSON, late a Senator from the State of Georgia, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

#### COMPENSATION AND MILEAGE OF SENATOR FELTON, OF GEORGIA.

Mr. HARRIS submitted the following resolution (S. Res. 366), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the contingent fund of the Senate to REBECCA LATIMER FELTON \$287.67 for compensation, and \$280 as mileage, the same being amounts due her as a Senator from the State of Georgia from November 8 to November 21, 1922.

#### MANUFACTURERS OF MAIL RECEPTACLES, ETC.

Mr. McKELLAR submitted the following resolution (S. Res. 367), which was referred to the Committee on Post Offices and Post Roads:

*Resolved*, That the Postmaster General be, and he is hereby, directed to transmit to the United States Senate the names of manufacturers of covers for door slots and also for mail receptacles for use of United States City Delivery Mail Service under requirements of the Post Office Department. The Postmaster General will include also the number of such slots or receptacles manufactured by each manufacturer since July 1, 1922, and the number now in process of manufacture.

#### THE MERCHANT MARINE.

Mr. CARAWAY. Mr. President, I wish to introduce a concurrent resolution and to be permitted to make a brief statement relative thereto. Yesterday in the message of the President—

Mr. NORRIS. Mr. President, may I interrupt the Senator at this point?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. CARAWAY. Yes, sir.

Mr. NORRIS. Is the resolution which the Senator submits a Senate resolution?

Mr. CARAWAY. It is a concurrent resolution.

Mr. NORRIS. I was going to ask, if it is a Senate resolution, that the Senator withhold it until the present order before the Senate may be completed.

Mr. CARAWAY. I will take only a moment of the time of the Senate.

Yesterday the President in his message asked that the Congress which he convened in extraordinary session should disregard the expressed wishes of the people as disclosed in the recent election and pass a ship subsidy bill. He says:

In individual exchanges of opinion not a few in House or Senate have expressed personal sympathy with the purpose of the bill and then uttered a discouraging doubt about the sentiment of their constituencies.

The President then says it would be discouraging—I am not quoting him literally, but in effect—if the Congress should heed a mandate from the people and refuse to pass legislation which was desired by certain interests. That is in effect the statement of the President which appears in his address in the CONGRESSIONAL RECORD of yesterday.

The President's exact language is as follows:

Having discussed in detail the policy and provisions of the pending bill when previously addressing you, I forbear a repetition now. In individual exchanges of opinion not a few in House or Senate have expressed personal sympathy with the purposes of the bill and then uttered a discouraging doubt about the sentiment of their constituencies. It would be most discouraging if a measure of such transcending national importance must have its fate depend on geographical, occupational, professional, or partisan objections. Frankly, I think it loftier statesmanship to support and commend a policy designed to effect the larger good to the Nation than merely to record the too hasty impressions of a constituency.



With that idea in view, Mr. President, I present a resolution expressing the sense of the Senate, the House concurring, that Members who have been repudiated by their constituencies should not by their votes attempt to fasten upon the people legislation which the people themselves at the polls have tried to repudiate.

In this connection permit me to say that for those Members of the Senate who go out, either because they were not candidates for reelection or because their people chose others in their stead, I have nothing but the kindest feeling, and I present the concurrent resolution not to reflect upon them or upon the ninety-odd Members of the House who were left at home by the will of the sovereign people, but to call attention to the wrongfulness of trying to pass through the Congress at an extraordinary session legislation that the people have sought to prevent. It was not the intention of the framers of the Constitution that legislation should be jammed through Congress after the general election and before the convening of the Congress elected in the November elections.

The length of time allotted discloses, if no other argument were available, that the expectation of the framers of the Constitution was that the legislation enacted in the short session of Congress should be merely routine legislation, such as the passing of appropriation bills and measures of that kind. Now, with an adverse mandate from the people against the proposed ship subsidy bill, the President calls Congress in extraordinary session and, in effect, says to its Members, "Do not regard the mandate of the people; listen to me. The people have already ordered your retirement to private life; the only hope you may entertain to continue on the Federal pay roll is an appointment, and the only man who can make that appointment is the President of the United States. Therefore, disregard the mandate of the people; jam through this legislation; fasten upon the backs of the American people \$100,000,000 annually in subsidies and then look for help to the Executive, who alone can keep you from being compelled to earn a living as a private citizen." That is what the President's utterances mean; that is what the President was trying to say in as diplomatic language as the President knows how to say it—"Disregard the people; they have already repudiated you; look to me; the power yet rests in my hands to reward you if you hear my voice and disregard the voice of the people. A ship subsidy for my friends and an appointment for you."

Mr. BRANDEGEE. Mr. President—

Mr. CARAWAY. I yield to the Senator.

Mr. BRANDEGEE. Without discussing the question whether it would be better for the country and wiser that the old Congress should not legislate upon general subjects after the election of a new Congress and before the new Congress has qualified to legislate, what can the Senator cite to sustain his statement—

Mr. CARAWAY. That we have a constitutional right to forbid them to do it?

Mr. BRANDEGEE. No. If the Senator will be kind enough to wait until I frame my question—

Mr. CARAWAY. I beg the Senator's pardon. I thought he was through.

Mr. BRANDEGEE. What authority can the Senator cite to substantiate his statement that it was the intention of the framers of the Constitution that the old Congress, some Members of which had been defeated, should be limited in their power to the passage of appropriation bills only and should not engage in any other legislation?

Mr. CARAWAY. Oh, well, the length of time—

Mr. BRANDEGEE. No; the Senator said, if I understood him correctly, that the framers of the Constitution never intended that the old Congress should legislate upon anything but appropriation bills.

Mr. CARAWAY. That is exactly what I said.

Mr. BRANDEGEE. I want to know what authority the Senator can quote as to the intention of the framers of the Constitution in that respect.

Mr. CARAWAY. The Senator asks me a question and then will not let me answer it because he is so anxious to repeat it.

Mr. BRANDEGEE. Oh, no; the Senator has all the time there is to answer it.

Mr. CARAWAY. Not so long as the Senator is alive, because he will take most of it.

Mr. BRANDEGEE. I have yielded the floor.

Mr. CARAWAY. The Senator did not happen to have it.

Mr. BRANDEGEE. The Senator yielded to me.

Mr. CARAWAY. I referred, Mr. President, to the brief duration of the short session. The President himself realized that

fact and dared not wait until the first Monday in December, when by law and under the Constitution the old Congress would reconvene, but did what no other President ever did in the history of the country, called Congress into a third session in order that they might pass this legislation in the present Congress, for he knows, and every man who may vote for this unholy subsidy knows, that if the time shall slip by until the Congress that was elected by the people last November may have an opportunity to pass upon it Congress will repudiate it. It does not need any argument to show that it was not intended that this Congress should do it. The life of the present Congress is so limited that even the President and the framers of the ship subsidy measure knew they could not pass it in the regular session of Congress, and so the President called this extraordinary session.

The concurrent resolution goes a little further, Mr. President. It suggests that chairmen of various committees out of harmony with the mandate of the people should not longer continue to be chairmen of those committees and obstruct the will of the people. This is a representative form of government; we hold our commissions from the people, and we have absolutely no moral right to vote contrary to their wishes, if they have had an opportunity at the polls to express their wishes. The President's entreaty that Senators and Representatives should disregard this mandate, I think, makes it opportune—indeed, imperative—that the Senate should say to him that we recognize the people are our masters and not the President of these United States, and that he has no power, no moral right, to absolve us from our obligation to the people, and should not ask us to betray the people and listen to him in order that he may fasten upon the people legislation that he knows the people repudiated on the 7th day of November, 1922. If this be not true, let this ship subsidy bill rest until the Congress that was elected in 1922 shall have an opportunity to express its views.

Why, even Senator Newberry—the man who paid the highest price for a seat that ever a seat in the Senate brought—had the good taste to say, when repudiated by the people of Michigan by the rejection of his colleague, who had supported his contention, that he had been repudiated by the people and that he ought not to participate longer in the making of legislation when his people did not want him to do it, and he resigned. Should other men have less consideration for the wishes of the people than Senator Newberry, who undertook to buy a seat in the Senate?

Mr. President, I presume that by ordinary parliamentary procedure the concurrent resolution would go to the Committee on the Judiciary; but I wish to ask that it be sent to the Committee on Agriculture and Forestry. [Laughter.] I wish to say for the consideration of the Senators who laughed, because they did not know what they laughed about, that if the concurrent resolution goes to the Committee on the Judiciary I have every reason to believe that it will slumber there, as some other resolutions that I introduced found a morgue there; and I should like to have the Senate itself pass upon this one. The PRESIDENT pro tempore. Unless there be objection, the concurrent resolution will be referred to the Committee on Agriculture and Forestry.

The concurrent resolution (S. Con. Res. 29) was read and referred to the Committee on Agriculture and Forestry, as follows:

Whereas this is a representative government speaking for and interpreting the will of the people of the United States as expressed at the polls; and

Whereas no Representative in either branch of Congress has the moral right to support or vote for any measure which the people by their votes have repudiated; and

Whereas certain proposed legislation affecting a fundamental change in our economic and commercial policy is now recommended by the Executive for consideration by Congress; and

Whereas this proposed legislation has failed to receive the approval of the voters as evidenced by the elections recently held; and

Whereas Congress has been called into extraordinary session for the purpose of passing this legislation which the people have by imperative and unmistakable mandate repudiated; and

Whereas a Congress which adopts legislation in defiance of a popular mandate to the contrary would perpetrate an act of usurpation; and

Whereas many advocates of the ship subsidy bill in the present Congress have been rejected by emphatic majorities by their constituents; and

Whereas it is unwise to place in the hands of rejected public servants the power to adopt fundamental legislation; and

Whereas a sense of official propriety would suggest to the defeated Members the unwisdom of participating in legislation which, if enacted, would materially affect fundamental questions of public policy: Therefore be it

Resolved, I. That it is the sense of the Senate of the United States (the House of Representatives concurring) that all Members defeated at the recent polls abstain from voting on any but routine legislation, such as necessary supply bills, motions to adjourn, or motions to recess, and



such other legislation as does not involve any material change of national policy.

II. That chairmen of committees, not in sympathy with the people's wishes as expressed at the polls, and who have an important effect on legislation, resign from their respective chairmanships so their places may be filled by those who are known to be willing to carry into legislative effect the mandate of the people as expressed at the polls on the 7th day of November, 1922.

III. That the Senate of the United States (the House of Representatives concurring) reaffirm their readiness to bow to the people's will, when expressed at the polls, and declare that the vote of want of confidence in the leaders which has been registered shall not be disregarded.

#### INVESTIGATION OF CERTAIN OIL LEASES.

Mr. WALSH of Montana submitted the following resolution (S. Res. 368), which was read:

Whereas under the act of Congress, approved February 25, 1920, entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," it is provided:

Sec. 27. That no person, association, or corporation, except as herein provided, shall take or hold more than one coal, phosphate, or sodium lease during the life of such lease in any one State; no person, association, or corporation shall take or hold, at one time, more than three oil or gas leases granted hereunder in any one State, and not more than one lease within the geologic structure of the same producing oil or gas field; no corporation shall hold any interest as a stockholder of another corporation in more than such number of leases; and no person or corporation shall take or hold any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof, which, together with the area embraced in any direct holding of a lease under this act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof, for any kind of mineral leased hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee under this act. Any interests held in violation of this act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property, or some part thereof, is located, except that any ownership or interest forbidden in this act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, That nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22, or to prevent any number of leases under the provisions of this act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this act, or the transportation of coal: *Provided further*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further*, That if any of the lands or deposits leased under the provisions of this act shall be subleased, trusted, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of the amounts of lands provided in this act, the lease thereof shall be forfeited by appropriate court proceedings; and

Whereas it is currently reported that notwithstanding the provisions of the said act above quoted, by sundry devices certain individuals, acting in concert through the same or separate corporate organizations, or otherwise, actually, though they may not nominally, hold oil or gas leases issued under the said act in number greater than three in each of several States and greater than one within the geologic structure of each of a number of producing oil or gas fields, and that such interests in fact exercise control over the greater portion of the output of a number of such fields, in so far as the same issues from lands leased under the said act, the number of leases covering lands in such fields, being greatly in excess of three: Now, therefore, be it

*Resolved*, That the Committee on Public Lands and Surveys or any subcommittee it may designate for the purposes be, and it hereby is, authorized and directed:

##### 1. To inquire—

(a) Into all leases issued under the said act, to whom the same were issued, to whom the same or any rights thereunder were assigned or otherwise transferred, and the members of any association or the stockholders of any corporation acquiring such leases or any rights thereunder, at the time and since the same were acquired, with the business relation, if any, between any such associations or corporations, and how far, if at all, any two or more are controlled by one and the same management by a common stock ownership or otherwise.

(b) The area embraced in such leases and the State and geologic structure within which the lands embraced therein lie.

(c) Any contracts entered into by the holders of any such leases or any interest therein for the disposition of any oil or gas issuing from the lands embraced therein and the various parties through which the same or the products thereof pass before reaching the consumer, with the relation of any such parties to each other.

##### 2. To report to the Senate the facts developed by such inquiry; and

3. To recommend such action by Congress or the executive departments, or both, as shall to the committee seem appropriate to accomplish the purpose of the statute above referred to and to prevent evasion of its provisions.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpoenas or otherwise; to require the production of books, papers, and documents, and to employ stenographers, at a cost not exceeding \$1.25 per printed page. The chairman of the committee or any member thereof may administer oaths to witnesses and sign subpoenas for witnesses; and every person duly summoned before said committee or any subcommittee thereof who refuses

or fails to obey the process of said committee or appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WALSH of Montana. Mr. President, those of us who were in some measure responsible for the legislation referred to conceived, at the time it was enacted, that by the provisions incorporated in the resolution we had insured the people of the country against the monopolization of these valuable lands of the Government and made certain that the interests which would be acquired under it would be distributed widely throughout the country, affording the people much-needed competition in the matter of the products of crude oil. Notwithstanding that, it is currently reported, as recited in the resolution, that at least in a number of the Western States a complete control exists in a great corporation and its allied interests of not only these Government leases but of the entire production of crude oil in this section of the country.

In a report made by the Federal Trade Commission to the Congress under date of June 30, 1921, certain conclusions are recited, among which are the following:

1. The geographic isolation of the Wyoming oil fields with reference to the prolific midcontinent and California fields and the absence of pipe-line transportation to the large consuming centers makes it necessary for the Wyoming producer to sell his crude petroleum to local refining companies.

2. There is greater concentration in the control of the production of crude petroleum in the Wyoming oil fields than in any other field in the United States.

3. From 1917-1919 the Midwest Refining interests and the Ohio Oil Co. controlled from 93 to 97 per cent of the Wyoming production.

The most prolific field in the State of Wyoming at the present time is the Salt Creek field. I am advised that it embraces an area of some 22,000 acres, of which no more than 2,000 acres, at the outside, are held in private ownership, the other 20,000 acres being held under leases issued under the provisions of the act of 1920. If, then, Mr. President, the Midwest Oil Co. controls from 93 to 97 per cent of the oil production of the State of Wyoming, the conclusion seems irresistible that it controls very much more of the production of the Salt Creek field than it is conceived it could control if the provisions of the act of 1920 were carried out according to the spirit of that law.

The situation is not much different in my own State, and the Salt Creek field in the State of Wyoming is adjacent to the Montana oil territory. The railroad commission of the State of Montana, acting as a public-service commission for my State, made complaint some time ago to the Federal Trade Commission of the exorbitant prices to which our people were subject in purchasing gasoline. It appeared that notwithstanding Montana had become an important producer of crude oil and the adjacent territory in the State of Wyoming was producing fabulously, the people of Montana were obliged to pay for gasoline a higher price than that paid by the people of any other State in the Union.

The subject was investigated by the Federal Trade Commission and the facts found as I have recited them. In the investigation by it conducted, though not directly in line with that contemplated in the resolution, the Federal Trade Commission found, among other things, that the production of crude oil and the refining of gasoline in the States of Montana and Wyoming are controlled by the Midwest Refining Co., either directly or through its subsidiary or affiliated companies. Montana is producing now from three different fields—the Cat Creek field, the Soap Creek field, and the Kevin field—the Cat Creek field being the field first brought in and up to the present time the most prolific producer. A large portion of the area within that field had passed into private ownership before it was conceived that it was valuable for the oil contained therein. But something over 10 per cent, at least, of the production now issues from lands which are operated under Government leases.

I shall not detain the Senate at this time to discuss the actual situation, but it is not substantially different from that recited in the report of the Federal Trade Commission. It seems inconceivable, Mr. President, that that company can control the production of these fields unless in some way or other it has acquired interests in violation of the act of 1920.

Accordingly, Mr. President, I feel that the Senate ought to be advised as to what the facts are, that it may be guided and governed in its future attitude toward this law. The resolution, of course, must go to the Committee to Audit and Control the Contingent Expenses of the Senate, but I believe that it would be advisable that a preliminary inquiry should be had by the Committee on Public Lands and Surveys, and I shall ask that it be referred to that committee for its consideration. Upon the coming in of the report of that committee I shall ask the further reference of it.



Mr. SMOOT. Then it will have to go to the Committee to Audit and Control the Contingent Expenses of the Senate, if the Committee on Public Lands and Surveys decide that they will go ahead with it.

The PRESIDING OFFICER (Mr. STERLING in the chair). The resolution will be referred to the Committee on Public Lands and Surveys.

A FARMERS' RURAL CREDIT BANK—WHO SHALL CONTROL IT, FARMERS OR BANKERS?

Mr. LADD. Mr. President, there has come to my attention a copy of a program of the forty-second annual meeting of the Academy of Political Science, to be held in Hotel Astor, New York City, on the 23d and 24th of this month. According to the program this annual meeting is to be given over to the discussion of the money problem. I make no apology for taking the time of the Senate to make certain observations at this time, because I believe there are certain movements going on that are of tremendous import to the people of this country. They demand discussion now; a little delay and it will be too late.

First, I desire to call to the attention of the Senate the personnel of the committee on program and arrangements for this forty-second annual meeting.

Samuel McCune Lindsay is chairman ex officio. Professor Lindsay is an author and educator on economic and financial matters, and his activities date back many years. In 1892 he was a special agent of the Senate Finance Committee to report on wholesale prices in Europe. His writings place him on record as to his financial theories, beliefs, and alignments.

E. E. Agger is another educator connected with Columbia University.

Irving T. Bush, of New York, of the Bush Terminal Co. and other Bush interests, is a business man with connections of great international trade interests.

Nicholas Murray Butler, the president of Columbia University, has been sufficiently eulogized on this floor, and very little speculation is necessary to determine as to his sympathies and connections.

Waddill Catchings, of 60 Wall Street, New York City, formerly in the export department of J. P. Morgan & Co. and now of important connections in the iron and steel industry, was a member of the advisory council of administration of war labor of the Department of Labor and was chairman of the war committee of the chamber of commerce.

Frederick Cunliffe-Owen, connected with the New York Tribune.

Will H. Hays, a lawyer, of Sullivan, Ind., who became distinguished when he was appointed chairman of the Republican National Committee, and later official censor of the motion-picture industry.

J. W. Jenks, an economist whose views and affiliations are very well known.

Joseph French Johnson, formerly financial editor of the Chicago Tribune, and rather prominently identified with the now more or less discredited monetary commission.

E. W. Kemmerer, another economist who was connected with the monetary commission, and who holds the distinction of having been in 1917 financial adviser to the Government of Mexico. The financial affairs of Mexico are still in a very bad condition, I believe. They probably will be so long as Mexico depends upon the international bankers of Wall Street to set her house in order.

#### BIG FINANCIERS INTERESTED.

Thomas W. Lamont, another bulwark of the house of Morgan. Ogden L. Mills, who was a member of the Joint Commission of Agricultural Inquiry, and who probably obtained his experience as a practical farmer in connection with the handling of his affairs in the Atchison, Topeka & Santa Fe Railroad, the Lackawanna Steel Co., the Mergenthaler Linotype Co., Shredded Wheat Co., Crex Carpet Co., the New York Trust Co., and various other matters in which his millions are interested. As a practical farmer, conversant with the needs of the farmer, he should be amply qualified—from the bankers' viewpoint.

George W. Perkins, jr., the son of another financier of J. P. Morgan distinction, and known to the International Harvester Co., United States Steel Corporation, great maritime and railway interests, and various other of the biggest interests in the country.

L. S. Rowe, the popular head of the Pan American Union, whom the Washington newspapers' society columns note as being very busily engaged in the giving and attending of interesting dinners and other social events.

Henry R. Seager, another economist—spelled in capital letters—connected with Columbia University.

E. R. A. Seligman, another professor and economist, whose hand has been laid heavily upon the American people and about whom more will be said later.

#### FEDERAL RESERVE INTERESTED.

Benjamin Strong, the governor of the Federal Reserve Bank of New York, and who figured so prominently in the hearings before the Joint Committee of Agricultural Inquiry, and who has the courage to believe that his bank is not a governmental but a private institution.

Frank A. Vanderlip, about whom volumes could be written. We will have to content ourselves with saying that the records will show that he first came into prominence while holding a fiduciary position as Assistant Secretary of the United States Treasury. He negotiated a most questionable sale of the United States customhouse to the National City Bank of New York, of which he subsequently became president. The unrefuted statements in the public press prove this to have been a most unconscionable transaction, in which Frank A. Vanderlip, as Assistant Secretary of the Treasury, acted in the interest of the National City Bank and against the interests of the Government and the people of the United States. Since this occurrence he has consistently aligned himself with the money power.

Elit Wadsworth, now Assistant Secretary of the Treasury, in charge of foreign loans and railroad advances. We can not help but sympathize with the poor railroads; they will not have had enough of advances until the vaults of the Treasury have been turned over to them.

#### THE FEDERAL RESERVE AND WALL STREET FOR THE FARMERS.

Paul M. Warburg, a prince of the house of Kuhn, Loeb & Co., another Money Trust firm of international bankers. It is asserted Warburg is the father of the present financial system known as the Federal reserve system. He is the gentleman who devised the trap into which was led the entire American Nation; both the Democratic and Republican Parties were entangled in the meshes of the international bankers, and they succeeded in writing into law a financial system that is rapidly forging the bonds of debt slavery upon the American people, and these two organizations, having been parties to the crime, are now silent and wedded to the system. Warburg even had the nerve and courage to boast before a Senate committee that he had been successful in his plans.

H. Parker Willis, another economist, who was pushed to the front in the enactment of the Federal reserve act, and who translated onto paper and defended the ideas promulgated by Paul M. Warburg.

There are a few others on this committee about whom I have no special information.

It seems to me, Mr. President, that anyone who had given any serious study to economic conditions in this country would find no hesitancy in reaching the conclusion that this committee on program and arrangements—with the possible exception of a few who might be mingled in for "trimmings"—is constituted of minds entirely in accordance with the banking interests. Any program arranged by this committee for the discussion of "the money problem" would naturally be arranged with a viewpoint of developing the ideas of the big bankers. There is one satisfactory and interesting observation, however, and that is that the bankers themselves realize that there is a money problem up for discussion in this country. They are not dilatory in their preparation to meet it, but seem to be feverishly trying to direct it into channels of which they approve. In view of the statement of the bankers upon the conclusion of the recent meeting of the American Bankers' Association, held in New York City, that the bankers were ready to lead the people, it is not improper to presume that this conference to be held this week is but one of their bids for leadership.

There is, however, Mr. President, one particular phase of this proposed conference that is of particular interest at this time, and it is for that reason that I am taking this opportunity to discuss it. I refer to the third session of the conference, to be held Friday afternoon at 2.30 p. m., in the north ballroom of Hotel Astor, and the topic for discussion will be "The agricultural credit problem." One would not expect to hear much of the language of the real dirt farmer amid the splendors of the north ballroom, especially when those who gather around the board possess such illustrious financial antecedents and connections.

It is, of course, not contended that the big banking interests of the country do not have a right to gather in such a discussion, but those who have the real interests of the farmer at heart also have the right to warn him against accepting such advocates for their leadership.

## SAVING THE FARMER FOR THE BANKS.

Let us notice for a moment the program for this third session. It is to be presided over by Edwin R. A. Seligman, already referred to. The program is as follows:

1. Introductory address of the presiding officer.
2. Agricultural financing.—Eugene Meyer, jr., managing director War Finance Corporation, Washington, D. C.; SYDNEY ANDERSON, public business permitting, Congressman from Minnesota, chairman Joint Commission of Agricultural Inquiry.
3. Fall in agricultural prices, causes and remedies.—George E. Roberts, vice president National City Bank, New York City.
4. Should the farmer have additional credits to enable him to hold his crops for better prices?—Jesse E. Pope, Washington, D. C.
5. Discussion.—Thomas P. Gore, former United States Senator from Oklahoma. Every cloud has a silver lining, and in this connection we are heartened that the name of former Senator Gore appears among the galaxy of intellectuals on the program. We are glad to learn that the farmers will have a friend in court and that their cause will be better and more favorably known because of his presence at the conference.

## WARBURG, SELIGMAN, AND FARMERS.

Mr. President, according to that eminent authority on big financiers, Mr. B. C. Forbes, in his book, *Men Who Are Making America*, at page 403, it was in the home of Edwin R. A. Seligman where the decision was made that Paul M. Warburg should publish his views on the central bank idea, and that the propaganda should be started for the purpose of writing into our laws a financial system based upon the central bank idea as the ideal corner stone. This decision was made at a time when the country was in the throes of the financial stringency of 1907, and when the people were declaiming against the money power centralized in Wall Street—and whose ideas were to be put forth as the basis for the new currency system? Those of Paul M. Warburg, a descendant of international bankers, schooled and trained for an international banker, imported from Germany for the purpose of giving expression to the evolution of the international bankers' idea of a currency system, and a man who having come here in 1902 and become a member of that powerful firm of international banker, Kuhn, Loeb & Co., did not file his citizenship papers until he was ready to take his fight before the public, and then did not become a citizen until 1911.

## BANK CREDITS AND PAUPERS.

What happened? In an attempt to distract the American people and satisfy their demands for monetary reform the monetary commission was authorized and sent abroad to investigate European systems and report to Congress a monetary plan. The commission went abroad and proceeded to interview bankers and financiers and investigate European banking systems, but they did not investigate the economic condition of the peoples who lived under the domination of these banking systems; neither did they report to Congress a monetary measure, but a bank credit measure. They found ideal banking systems, from the bankers' viewpoint and from a standpoint of banking prosperity, but they failed to show the pauperizing effects of those systems upon the peoples who endured them.

The next step was the Aldrich report, which was secretly written on Jekyll Island, and in which Mr. Warburg had such a prominent part. The Aldrich bill followed, and the Democrats rose in arms and defeated it. They deservedly received the plaudits of the Nation for their fight against the Aldrich bill and for the magnificent stand they took against the central-bank idea. The people rewarded them by placing them in power, with the mandate to effect financial reform, and that mandate was clearly against any such idea as embraced in the Aldrich bill. They conducted the Pujo investigation and exposed, in part, the Money Trust, and that disclosure showed that the firm of Paul M. Warburg—Kuhn, Loeb & Co.—was declared to be a member of that Money Trust. Notwithstanding that fact, they immediately nestled to their bosoms this self-same Warburg that had been the directing hand behind the Aldrich bill. The Aldrich bill was worked over, camouflaged, and disguised and placed before the people as a great achievement and as the means of emancipation of the people from financial slavery. The Republicans could not, had they desired, fight the measure effectually, because they were compelled to recognize the fact that it was the same proposition they had sponsored in the Aldrich bill. The result was that the voices of opposition were silenced, and the international bankers had captured both of the big political parties.

I do not know that the throwing over of George Harvey, with sympathies for the house of Morgan, and the taking on the ship of Paul M. Warburg, of the house of Kuhn, Loeb & Co., by the Wilson forces had anything to do with the capture of

both parties, but I have long had my suspicions that it did have a great deal to do with it. It has long been rumored that there are two groups of the big international bankers who are continually battling silently against each other for financial domination, and there are many indications that such is true. However, that does not mean to say that they are at variance as to the system to be used, or that there is difference of opinion when it comes to the necessary legislation for their operations. In these matters they usually present a solid front, save where it obviously would be prudent to adopt a different method of procedure. Obtaining authorization for their system through legislative channels is entirely different from a fight between themselves for control of the system.

## WHO CAN TELL?

All of this talk about who is the author of our present financial system is principally chatter. Some day I may deem it advisable to say something to this body about Mr. McAdoo and his connections with Kuhn, Loeb & Co.

But back to this proposed meeting in New York. We do know that Edwin R. A. Seligman, who is to preside over this rural-credit discussion, was one of the first men to figure in the plans for "putting across" the system, and he has faithfully awaited its beck and call ever since.

Then the program provides that we shall get some more instruction for the farmer from Eugene Meyer, jr., head of the War Finance Corporation, and another Wall Street manipulator. There are many indications that Mr. Meyer is greatly interested in the various cooperative movements throughout the country, and I have been informed that he has been in close cooperation with Mr. Aaron Sapiro, who has accomplished a great deal in the organization of these cooperatives, and is supposed to represent a great many of them as attorney, which representation affords a comfortable source of revenue. I have also been advised that Mr. Sapiro is very influential in obtaining aid for the cooperatives from the War Finance Corporation.

I would like to say this, Mr. President, the farmers have a great opportunity for helping themselves through the cooperative organizations; I have devoted a great deal of my life to a study of the problems of the farmer and I have long ago come to the conclusion that if he is to realize any permanent relief or aid through the cooperative movement he must be careful of his leaders. He must be sure to always keep control of his organization. Forbid the time may ever come when the unseen hand of Wall Street or any special group of financiers has the control of organized farmers in their grasp. If such come true, then their organization will prove a boomerang to come back and strike, a viper to curse and wound them in their adversity.

Then Mr. Roberts, of the great National City Bank, will also hand out some advice about the farmers; and so on, it goes.

Mr. President, I do not know whether or not this meeting proposes to go on record as favoring any special legislation, whether it will indorse a bill drawn by Mr. Meyer or one sponsored by Mr. Warburg or Mr. Roberts or anyone else. Perhaps they may now consider it inadvisable to do so.

I am convinced of this, however, that any recommendation they may make looking toward legislation for the farmer will be from the viewpoint of what is good for the bankers and not what is the best thing for the farmers.

According to the Washington Times, edition of November 21, 1922, on financial page, in an article by Harry Gusack:

Credit requirements of the live-stock industry as one phase of the rural-credits problem were discussed at a conference between Eugene Meyer, managing director of the War Finance Corporation, and a committee of the American National Livestock Association. The meeting probably will continue until to-morrow before a program adequate for that industry has been worked out to be included in the rural credit legislative program.

As a basis for the discussions, Mr. Meyer outlined three plans for farm financing as the basis for the rural-credits program. These are:

1. Provide financing through a centralized Government banking institute, operating with large Government capital and making loans somewhat as the War Finance Corporation has done—through branches or agencies.
2. Financing farm requirements through a number of financial corporations, each with moderate capital furnished partly by the Government, operating within a limited district, and relying upon its ability to sell bonds or debentures to the investing public in order to raise the necessary funds. Under this type of organization it is proposed to facilitate the sales of securities through tax exemption.
3. Take care of the financing of cooperative marketing organizations through existing financial machinery by modifying the laws and regulations governing the eligibility requirements of the Federal reserve system, and the financing of the live-stock industry by amending the national bank act so as to authorize the creation of federally chartered loan companies, operating with private capital under the supervision of the Comptroller of the Currency or the Federal reserve system.

Mr. President, all of these methods depend entirely upon the Federal reserve system for their success, and they can be defeated in their intended purposes by the power centralized in the 12 Federal reserve banks; and I might even say by the Second Federal Reserve Bank of New York alone, for that



bank is, in practical effect, the central bank of the United States. It is also contended that it is now a private banking institution.

If either of these methods are adopted it will eventuate in further enslavement for the farmer and a pyramiding of more debts, when another period of "drastic deflation" could wipe out the remaining equities of the farmers.

However, it is not my purpose to discuss this phase of the situation at this time, but I intend to do so if either of the propositions reach this floor.

This is but further evidence to my mind, Mr. President, that a studied effort is now being made to get a well-fortified scheme brought before this Congress that will sail right through because it will have a long list of stereotyped indorsements behind it when it reaches Congress. As usual, the plan comes through some of the same old Wall Street crowd.

The fact that Mr. Meyer has received the indorsement of two administrations whose parties, according to the record, would seem to have surrendered to Wall Street on the money question, does not justify the farmers of this Nation in placing their destiny in his hands.

#### CONFIDENCE AND WALL STREET.

It is not very long to hark back to the time when there was a feeling in this country that Wall Street could not be depended upon to protect the best interests of the rank and file of the country. Now it appears that all leaders, all molders of legislative thought, to be considered dependable, must hail from Wall Street. There was a time when there would be many sincere and protesting voices raised against such a condition, but now there is silence where there should be indignation and wrath. Public officials seem to be taking the viewpoint that if there is a financial task to perform it must be done by some one of Wall Street ability and qualifications.

Will we ever learn? We have accepted the bankers' idea in this country long enough. They have always brought us to debts and hard times. The bankers' system has patently proved a failure. Will we continue to swear by it? When I say a failure, I mean a failure from the standpoint of the people. It has been an eminent success from the standpoint of the banker. Debts have piled up by the billions, and they continue to pile up, and they all bear interest, and the people pay the interest. While the banks and bankers are increasing the reserves and assets, the people are going more into debt. Our present financial system will never get us out, but will persistently mount the total of indebtedness. There is not a better illustration of that fact than the increase of mortgage indebtedness upon the farms of the United States since the operation of the Federal reserve act, and not a clearer illustration of the powers of that act than the results of drastic deflation in wiping out of equities in farms throughout the entire country.

#### SHALL WE PREDICT THE END?

Yet, with it all, we are content to rest on our oars and let the international bankers perfect their system. Not only that, but it is quite evident to me that there will be legislation offered to this body for the alleged purpose of giving the farmers a system of rural credits, and that such legislation will depend entirely upon the Federal reserve act for its success or failure. Mr. President, there could not be a more effectual way of abandoning the interests of the farmer and setting another trap for his enslavement.

Mr. President, evidently there will be some rural credit legislation offered to this body within a short time; I wish to place the farmers on guard at this time that if they are to get any legislation that will be of lasting benefit to them it must be on a basis of real money. No system of loaning of bank credits, or rural credits, or whatever alluring name may be offered, will serve to do anything else than to push the farmer further into the quagmire of debt.

It might also be added that if there is a persistent attempt to foist such a system upon the people of this country, there will be more than 18 new faces in this body during the Sixty-ninth Congress. The farmers are tired of being duped and fooled. They have a very good idea of what they want, and they are determined to have it.

Mr. President, what I have said to-day is not designed as destructive criticism nor is it aimed at those who would honestly endeavor to restore agriculture to a profitable basis. I have, however, endeavored to raise a warning voice against that type of class legislation too often enacted for the benefit of the little group of money and credit manipulators and at the expense of that larger group—the American farmers.

Banking and financial legislation secured in the past by this same group of men, together with their administration of the laws, are now responsible for the farmers' present deplorable condition whereby they, as a class, are in five short years re-

duced from reasonable prosperity and modest comfort to bankruptcy. These farmers must now resort, as other business men do, either to the Nelson cure or stagger under the load that will in the end completely crush them and drag down other business, including the bankers, with them.

Similar meetings to the one under discussion are now being held or planned for in other parts of the country, indicating that the bankers are about, as has been stated, to take the lead for better agriculture. Will they do so? I am sorry to say the signs as indicated by the past are not good. Unless the farmers are given constructive legislation and the control of their own banking and marketing affairs is left in their own hands, there will be worse than confusion, and if we adopt a system in place thereof which continues to exact a heavy tax from the producers for the benefit of the banker, the middleman, and the retailer, I predict it will not be satisfactory either to the farmer nor will it act as a panacea stimulating greater production, which means heavy losses to the producer, and the farmer will not be slow to discover the purport or to act in an effective manner as he is now being forced to do, not only for his own protection but likewise for the benefit of the consumer and that of all society and also of the State.

#### LIBERIAN LOAN.

Mr. CURTIS. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Mr. HARRISON. Mr. President, during the last session of Congress I offered to the joint resolution an amendment proposing an appropriation to provide for certain inspectors of locomotive boilers. It was, I think, generally agreed upon the part of Senators that the amendment should be adopted, but while the amendment was pending a deficiency appropriation bill was brought in and considered. An amendment providing for such an appropriation was adopted by the Senate to that bill, but in conference, I think on the day before the session of Congress adjourned, the amendment was stricken out. In view of those circumstances, I desire again to offer that amendment to the joint resolution.

It has been some time since the subject was considered, and I should like to examine the amendment. The Senator from Iowa [Mr. CUMMINS] is familiar with the subject, and he made certain suggestions with respect to changing the amendment. I wish to obtain a copy of the amendment, and to prepare it so that it may be passed in proper form.

I ask the Senator from Kansas if he will be willing to let the joint resolution go over until to-morrow, in order that we may have an opportunity to look into the matter?

Mr. CURTIS. Can the Senator assure me that there will then be no debate on the amendment? The amendment was fully debated on a previous occasion.

Mr. HARRISON. I do not desire to say anything further in support of the amendment, for I think it was pretty generally agreed that it should be adopted.

Mr. CURTIS. If the amendment in the changed form in which it may be proposed will not lead to further debate, I shall be willing to let the joint resolution go over until to-morrow, for I should like to see the amendment prepared according to the recommendation of the Interstate Commerce Commission and the report of the Budget Bureau.

In reference to the suggested amendment I desire to say that previously, when the matter was under consideration, I asked the Senator from Mississippi to withdraw the amendment and to propose it to the appropriation bill. He very kindly agreed to delay consideration of the amendment until the deficiency bill should be under consideration. When the deficiency bill was taken up for consideration the amendment was attached to that bill, and I assured the Senator from Mississippi at that time that if the amendment were not retained, so far as I was personally concerned, I should not object to the amendment being offered to the pending measure. In view of that fact, I am perfectly willing—for I think such action will save time and we shall thereby get a better amendment—to let the pending joint resolution go over until to-morrow, if the Senator from Mississippi will assure me that, so far as he is concerned, there will be no further debate on the amendment.

Mr. HARRISON. I do not expect to debate the amendment at all, and I do not think there will be any debate on the amendment.



Mr. CURTIS. I understand that the Senator from Missouri [Mr. SPENCER] desires to say a few words in reference to another matter. As soon as he shall have concluded, I shall ask that the pending joint resolution be laid aside until tomorrow.

#### RESIGNATION OF SENATOR NEWBERRY.

Mr. SPENCER. Mr. President, I was unavoidably detained from the Senate on yesterday when the resignation of the former junior Senator from Michigan, Mr. Newberry, was presented or I should have then said what I intend now to say.

No more loyal American ever sat in the Senate of the United States than Senator Newberry. His patient, diligent, and efficient service, coupled with his unusual experience in the naval matters of the country, has been of distinct and conspicuous help.

Some day, Mr. President, the wrong which has been done to Senator Newberry and to his family will be generally recognized and will be righted, for the Senator from Mississippi [Mr. HARRISON], in the parting blow which I am sorry to say he saw fit to give to his retiring colleague yesterday, said one thing that was undoubtedly true, and that was that "the good common sense of the American people in the end generally prevails." I may add that in the end it always does prevail; and many of those who, for one motive or another, have joined in the unwarranted and unfair attacks upon Senator Newberry will come to recognize and acknowledge the injustice which they have done.

The frank, manly statement of the junior Senator from Michigan made upon this floor in connection with his case will be accepted as the truth, the whole truth, and nothing but the truth, and the American people will realize that in spite of all the unjust and unfounded propaganda which has been and is promulgated in the country the essential facts are that during the entire primary campaign in 1918 in Michigan, of which criticism has been made, Senator Newberry was not present in the State of Michigan, but was constantly, during the primary campaign as well as during the general campaign, in the service of his country in the Navy, and that the large amount of money that was spent in connection with the primary—\$195,000—was collected and spent by a committee on its own authority and without Senator Newberry's knowledge or consent, and that not a dollar of the entire fund was furnished by him, and that every dollar was used for purposes of publicity, without taint of illegality or impropriety in its expenditure.

The problem in Michigan was to inform the citizens of that State of the things for which Senator Newberry stood as distinguished from the things which Mr. Henry Ford advocated—and there were thousands of patriotic, loyal citizens who believed then and believe now that the nomination of Mr. Ford would have been a national disaster.

It must be some satisfaction to the retiring Senator to know that when the conviction which sentenced him to the penitentiary upon the charge of having spent more than \$3,750 finally came to be considered by the Supreme Court of the United States that tribunal unanimously set it aside as being founded upon mistaken interpretation of law and most unfair to Mr. Newberry, and by a majority vote declared unconstitutional the very law under which the action had been taken. It must be some satisfaction to him to know that the Senate, after a protracted hearing and recount of the ballots, determined his eligibility and his qualifications for the office; but no man can overlook the propaganda, continuous and insidious, damaging to the man and his family alike, that has created in the country an atmosphere as if there were something criminal or illegal or improper in the proceedings incident to the primary election in Michigan. There is not a shadow of foundation for any such judgment.

I say, Mr. President, that the time is coming when many of the men who have been strong and earnest in their attacks—for many of them are as fair men as are upon the floor of the Senate—will recognize the injustice which they have done to the junior Senator from Michigan, whose career before the election of 1918 and during that election and since that time in the Senate of the United States has been that of a conscientious, patriotic American, of signal ability and indefatigable diligence.

Mr. BORAH. Mr. President, I do not care to recall a matter which I had supposed was closed, a matter which I think had better be regarded as concluded; but, as I am present in the Chamber, I am not quite willing to have the statements of the able Senator from Missouri go unchallenged.

I wholly disagree with the view which he takes of the matter, that this money was expended without the knowledge or con-

sent of Mr. Newberry. I think the evidence is quite conclusive that it was expended both with his knowledge and with his consent. I should not mention this at all if it were not for the fact that the statement of the Senator goes into the Record, and should we who took the different view sit silent it might be regarded that we had changed our view with reference to that matter.

I think Mr. Newberry made just one mistake, and that was that he did not tender his resignation immediately after the Supreme Court passed upon the legality of the statute. He could have done so then with great propriety and gone back to his people for their view of the matter. I am of the opinion that in all probability he might have done so had he received the same advice then that he received after the election. But I do not care to go into the matter. I only wish to say, in a single sentence, that I think the record is conclusive as to the illegality of the expenditure of the money, and that the amount expended was intolerable. For Mr. Newberry individually I do not wish to speak harshly, but the system of politics which prevailed in his election is indefensible from the standpoint of law or of morals.

Mr. HARRISON. Mr. President, the Senator from Missouri is admirable in the trait that he is most loyal to his friends and that he is the last to forsake a cause. We once saw him stand by another. His name was Goldstein. And when the shroud that enwrapped Goldstein became too gold stained for even Lowden, whose agents had performed the operation, it was not so with the Senator. Aye, even after Goldstein had served notice upon those who sought to honor him that he would not accept the nomination, the distinguished Senator from Missouri stood adamant—defiant to the end. When others see that it is wise "to get out and from under," the Senator from Missouri remains constant and firm. His speech to-day is in keeping with his past record.

But I suppose the distinguished Senator from Missouri is about the only Senator who voted to seat Senator Newberry who feels a pang of sorrow over his resignation. Newberryism, which the people have come to understand to mean "the plundering of the people through the purchase of power," will not down. Like Banquo's ghost it will rise again, and it will haunt in future campaigns, as it has haunted in the last campaign, Senators who condemned by their votes the confession of an expenditure of the \$195,000 for his election in Michigan and at the same time said, "We are going to seat you here. We want you to be one of us."

When the Senator casts his watchful eyes over the States that held senatorial elections on November 7 he will see that only two Senators who voted to seat Senator Newberry in the face of the facts, and who came up for reelection at that time, were returned. And both those by tremendously reduced majorities—majorities that permitted them only to squeeze in. All others who went before the people in that campaign and were compelled to answer the issue of Newberryism were swept from power. Their defeats answer the arguments of the Senator from Missouri better than any feeble expression that I might now utter. The people's wishes will prevail, and they have in this instance triumphed.

I am not going to be unkind by mentioning friends and distinguished colleagues who were dashed upon the sands of defeat in the recent storm because of the votes they cast for Newberry. Those who voted for him, and who have not yet gone before their constituents, can make two years from now further apologies for those votes. If the Senator from Missouri, and others of his way of thinking, desire to keep the issue alive, then well and good; but this fact we know from the expressions voiced by him to-day—that the resignation of Newberry was not written with a Spencerian pen.

Mr. SPENCER. Mr. President, has the Senator from Mississippi forgotten that the two Senators who were most strong in their opposition to Senator Newberry—the one who led the attack, and one who ably seconded it—were themselves defeated at the polls? I refer to the senior Senator from Ohio [Mr. POMERENE] and to the Senator from Nebraska [Mr. HITCHCOCK]. If anything is to be deduced from the voice of the people along the line on November 7 last, of which the Senator from Mississippi has spoken, he will not forget the State of Ohio or the State of Nebraska.

Mr. HARRISON. I do not know whether the Senator spoke in Ohio or in Nebraska or not. Looking at the results of the election, I presume he did; but may I ask the Senator whether he ever heard, in a single speech made by anyone who was opposing the reelection of Senator POMERENE in Ohio or Senator HITCHCOCK in Nebraska, criticism of the position they took with reference to unseating Newberry? The Senator's silence



indicates he did not, and consequently there was no such issue there.

Mr. SPENCER. I was not in either of those States, and I certainly did not.

Mr. HARRISON. And the Senator never heard of it; did he?

Mr. SPENCER. That does not establish whether it happened or not.

Mr. CURTIS. Mr. President, before moving to adjourn I wish to state that to-morrow I am going to ask the Senate to take up the unfinished business, House Joint Resolution 270, authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia, and try to pass it to-morrow.

I now move that the Senate adjourn.

The motion was agreed to; and (at 1 o'clock and 36 minutes p. m.) the Senate adjourned until to-morrow, Thursday, November 23, 1922, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, November 22, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come; Thy will be done on earth, as it is in heaven. Give us this day our daily bread; and forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil; for Thine is the kingdom and the power and the glory, forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

### QUESTION OF PRIVILEGE.

Mr. ASWELL. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman from Louisiana rises to a question of personal privilege. The gentleman will state it.

Mr. ASWELL. Mr. Speaker, I ask the Clerk to read from the New York Times of yesterday the statement which I have marked.

The Clerk read as follows:

Governor Parker, referring to newspaper interview by Representative ASWELL, yesterday replied briefly but emphatically to Mr. ASWELL, saying:

"His statement is deliberately untrue. His district is one of the recognized heads of the Ku-Klux Klan in Louisiana."

Mr. ASWELL. Mr. Speaker, I rise to a question of privilege.

The SPEAKER. The Chair recognizes the gentleman.

Mr. ASWELL. Mr. Speaker and gentlemen of the House, I ask that the reading clerk read the assault upon the State of Louisiana published in the Sunday morning Washington Post.

The Clerk read as follows:

[From the Washington Post, November 19, 1922.]

KU-KLUX KLAN RULES LOUISIANA, GOVERNOR ASSERTS; TO ASK PRESIDENT TO ACT; STATE OFFICERS POWERLESS—ON HIS WAY HERE TO INVOKE FEDERAL MARTIAL LAW TO RESCUE HIS STATE FROM DOMINATION BY THIS SECRET AND ALL-POWERFUL ORGANIZATION—COURTS OF THE STATE CEASE TO FUNCTION AND CITIZENS ARE IN TERROR—ATTORNEY GENERAL COMES WITH GOVERNOR TO ASK CENTRAL GOVERNMENT TO TAKE CONTROL—PEOPLE AFRAID TO DISCUSS SITUATION—PRESS IS SILENCED—OUTRAGES AGAINST PERSONS FREQUENT AND NEVER PUNISHED—STATE IN CHAINS OF AN INVISIBLE POWER—SIMILAR CONDITIONS REPORTED IN COMMUNITIES OF OTHER STATES.

SECTION OF THE UNITED STATES CONSTITUTION UNDER WHICH ACTION IS PROPOSED.

ART. IV, SEC. 4. The United States shall guarantee to every State in this Union a republican form of government and shall protect each of them against invasion, and, on application of the legislature, or of the executive (when the legislature can not be convened), against domestic violence.

[By George Rothwell Brown.]

(Special dispatch to the Washington Post.)

(Copyright by the Washington Post.)

BATON ROUGE, LA., Nov. 18.—The Ku-Klux Klan has reached out boldly for civil power over officers of law and justice over an immense territory and has virtually reduced the sovereign State of Louisiana to the vassalage of the invisible empire.

The machinery of State government has almost ceased to function as the unseen power of the mysterious secret society exerts its force in the offices of State and local authorities and in the very courts of law.

Gov. John M. Parker has gone to Washington to lay the whole situation before President Harding, to inform the Federal authorities that State law has virtually come to a stop in Louisiana in the face of the mysterious power of the klan, and to ask the United States Government to take over the administration of the law in Louisiana or in certain specified portions of the State.

NO PRECEDENT IN 50 YEARS.

The governor's conference with the President on Monday will disclose to the country one of the most amazing and humiliating catastrophes in the whole history of American Government. Not since

reconstruction times, at least, has any governor of a State laid bare to the Nation the fact that a secret power in that State has usurped the functions of government and brought the administration of the laws to a stop.

The Governor of Louisiana to-day is virtually helpless in the face of the power of the most gigantic secret organization which has ever reared its head in America.

### GREAT SECRECY PRESERVED.

Not only has it become impossible for the State authorities to cope with the unseen power of the new Ku-Klux Klan, reared upon the ashes of that institution born of a highly emotionalized chivalry which saved white supremacy throughout the South in the "carpetbag" days which followed the close of the Civil War, but it is almost impossible to detect the presence of the vast invisible empire which apparently covers Louisiana, and has extended its way to adjacent States, where there is reason to believe conditions almost as bad as those in this State now prevail. Certain counties in Texas are reported through confidential "grapevine" channels to be in the grip of the invisible empire which has reared itself above the constitutional law of the State and dictates the administration of justice behind an impenetrable veil of mystery and intimidation.

### WANTS THE STATE TAKEN OVER.

Governor Parker will appeal to the Federal Government to go into the State of Louisiana and take over the administration of government in the face of the complete paralysis of the local government, under an impelling constitutional mandate, which will leave the Federal Government no alternative but to act with promptness and vigor if the facts to be disclosed at the Washington conference on Monday justify that drastic course. That these facts will lead to the protection of the State government in Louisiana by the Federal authorities is a widely entertained opinion here in Louisiana, where the conditions which the governor will lay bare are as yet merely the subject of whispered confidences among trusted friends.

### ORDERS SILENTLY CARRIED OUT.

The power of the "invisible empire" has settled like a shadow upon the State, and men scarcely dare to breathe what little they know of the inner secrets of the great secret society whose unuttered orders are silently and mysteriously carried out by invisible agencies which are superior to the constituted and elected law officers of the Commonwealth.

There is among men in this part of the South whispered speculation as to what course of action the Federal Government will pursue. The state of affairs to be disclosed by Governor Parker is so out of the whole ordinary experience of Americans as to be fairly stupefying. The very courts of justice are paralyzed.

### STATE GOVERNMENT DEFIED.

Governor Parker will disclose that the State authorities have now become powerless to cope with the situation. His administration can not move hand or foot to enforce the laws, the administration of which in certain parts of the State has passed into the keeping of a secret government superior to the State, which sets the State itself at defiance.

Not only has the invisible empire usurped the functions of government but at every turn are disclosed evidences that in many instances the sworn officials of the State are themselves members of the Ku-Klux Klan.

The powers of the Federal Government which Governor Parker will seek to invoke are embodied in section 4 of Article IV of the Constitution of the United States, which reads as follows:

"The United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion; and on application of the legislature or of the executive—when the legislature can not be convened—against domestic violence."

### MURDERS AND OTHER VIOLENCE.

The extent of "domestic violence" in Louisiana under the State-wide sway of the invisible empire of the Ku-Klux Klan may be disclosed in the confidential communication to be made by Governor Parker and by the attorney general of the State, who has accompanied him to Washington. It has been reported that there have been a great many murders and other acts which, without a full possession of all the facts, would be classified as outrages against citizens.

It is a significant fact, however—and this must be borne in mind—that there is every evidence that the klan enjoys the support and confidence of thousands of the best and most law-abiding citizens of the State. The very scope which the secret society has attained bears testimony to this fact.

### CLAIMS ON BEHALF OF KLAN.

It is claimed on behalf of the Klan that it stands for the maintenance of law and order and of Anglo-Saxon supremacy; that its actions setting at naught the law itself have been dictated by the highest feelings of patriotism; that it has punished the lawbreaker and the violator of the sanctity of the home; that it has driven from the community the worthless and the degenerate elements. Thus the system has its defenders, and has been able to extend its sway with such absolutism as to choke off and stifle the machinery of the law which stands in the way of the exercise of its will.

### TERRIFYING TO THE LAWLESS.

The mystery which envelops the whole institution of invisible government constitutes one of its most baffling characteristics. Nobody knows who belongs to the klan; nobody knows when or where it will next strike. Its aspects as a supergovernment, taking the administration of the law out of the constitutionally constituted officials of the law and administering justice according to its own conception of what constitutes civil and social justice, render it peculiarly terrifying to the lawless and those who have fallen within whatever limits of ban may have been imposed by the secret objects of the society.

A man is seated in his office, and a stranger enters and asks for a confidential conference. A few minutes later that man is at the railroad office buying a ticket.

"Where to?" asks the agent.

### MEN "JUST VANISH."

"It makes no difference, any place," is the answer. The man vanishes. The community knows him no more. There is whispered discussion and then the subject is dropped. The same thing happens again and again. Men mysteriously drop out of their accustomed haunts. Neighborhoods are suddenly relieved of the occasional individual long regarded with suspicion. A man who has been living with

a low-caste woman, in violation of the moral code, bringing scandal to a community, suddenly decides to leave. Nobody knows why. He simply leaves and is heard of no more.

#### SIMILAR CONDITIONS ELSEWHERE.

From other States have gone to Washington reports of similar conditions in other communities. Evidence has been presented that the Klan has permeated the whole fabric of official life, that its members are themselves the officials charged with the enforcement of the law, and that the law is administered not according to the law of the State but according to the law of the invisible power lodged in what is known in popular parlance as the Ku-Klux Klan. Nobody really knows whether in fact this is the true name of the society.

In Louisiana conditions are said to be worse in Morehouse Parish, in the northern part of the State.

#### ASWELL'S REPLY.

Mr. ASWELL. Mr. Speaker, the scurrilous story just read by the Clerk from the Washington Post of Sunday, seriously reflecting upon the officers of the law and the people of the State of Louisiana, is false and infamous.

In my opinion it is entirely proper for the attorney general of a State to come to Washington to seek advice and assistance from the Department of Justice on any question of law enforcement, but it is quite another matter for the Governor of Louisiana to create a nation-wide sensation and inflict irreparable injury upon his State. Then, too, the governor's noisy methods do not capture criminals.

I propose calmly and without passion to present the simple record of fact in this case, which record to any fair-minded person reveals two facts:

1. That the story is utterly false and without justification or foundation of fact.

2. That to the humiliation and regret of all our people the Governor of Louisiana with his insatiable thirst for publicity is responsible for the grave injury done our State.

What should be done with a governor who for personal or political preferment would sacrifice or assassinate the fair name of his own State is a question to be settled by the people of Louisiana.

Nailing this libel of the law-abiding and patriotic people of my district and State, I present a copy of my telegram to each sheriff and judge in the eight parishes of my congressional district, located in the geographical center of the State, and responses from the law officers and citizens of every parish in the district. These telegrams come from Protestant, Catholic, and Jew, telling one and the same story which means that the evidence I present is irrefutable.

I ask the reading clerk to read these telegrams in order that the Members may hear the refutation.

The Clerk read as follows:

NOVEMBER 19, 1922.

Morning press here publish sensational story that Governor Parker, en route to Washington to invoke Federal martial law in Louisiana, to have Federal Government take control of our State government; that murders and outrages against citizens are frequent, State wide, and unpunished by local officers of the law, and that State and local government has ceased to function, with citizens in terror. Please wire me fully night letter exact situation in your parish. I believe these charges against our people are false and infamous, but I need official statement from you before matter comes up for action to-morrow forenoon.

J. B. ASWELL.

ALEXANDRIA, LA., November 19, 1922.

Hon. JAMES B. ASWELL,  
Member Congress, Washington, D. C.:

Your telegram this date giving press reports at Washington, D. C., casting malicious slander on the State of Louisiana received. Such reports are absolutely false in truth and fact. The parish of Rapides, the third largest in the State, has never enjoyed a more peaceful epoch and a more universal observance of the law. This same condition prevails over the entire State of Louisiana. I have personally had occasion to visit various parishes in this State, from the State line of Arkansas to the Gulf of Mexico, in the past 10 days, and I can truthfully say that the citizenship of the State is with its peace officers for a full observance of all its laws, and I brand all reports or rumors for the necessity of Federal interference or martial law as absolutely unnecessary and without foundation or reason, and as being a most willful and malicious slander upon the fair name of this great State.

F. E. DAVID,

Sheriff Rapides Parish, La.

ALEXANDRIA, LA., November 20, 1922.

Congressman JAMES B. ASWELL,  
Eighth Louisiana district, Washington, D. C.:

Your wire to Sheriff David read. As a native-born voting taxpayer of our beloved Louisiana, I brand Governor Parker's statements to the press concerning conditions existing in this State as malicious misrepresentations and utterly devoid of facts. Rather significant Governor Parker failed or refused to publish in Louisiana newspapers his intended visit to Washington or its purposes. Maybe his train company en route there affected his mental equilibrium, if such he has ever been possessed of. Am sure that majority wishes of Louisianians would be his commitment to sanitarium for treatment of mental derangements, preferably outside of Louisiana.

W. CANNON FLOURNOY.

COLFAX, LA., November 19, 1922.

Hon. J. B. ASWELL, M. C.

Washington, D. C.:

Violation of law less frequent than at any time in 20 years. Peace and harmony prevail except in very few cases of moonshiners. Press reports mentioned in your telegram false and infamous. Absolutely no foundation for any such expression.

J. W. DUNCAN.

MANY, LA., November 20, 1922.

Congressman J. B. ASWELL,  
Washington, D. C.:

No more lawlessness in this parish or district than ordinarily, and courts are functioning properly.

J. H. BOONE, District Judge.

J. B. HILL, District Attorney.

WINNFIELD, LA., November 20, 1922.

J. B. ASWELL,

Representative, Washington, D. C.:

Governor Parker may need United States troops in Baton Rouge, but we don't need them in Winn Parish. The reports are absolutely unfounded, and so far as this parish is concerned conditions were never better. Recently Governor Parker told one of our citizens that this part of the State had given him no trouble.

R. W. OGLESBY, Judge.

W. T. HEFLIN, Sheriff.

A. W. RADESCICH, Representative.

MANY, LA., November 20, 1922.

Congressman J. B. ASWELL,  
Washington, D. C.:

You can not denounce too strongly as absolutely false and uncalled for report that the crime and disorder are frequent or beyond control of officers. Every person accused of serious crime in Sabine Parish within the past 12 months has either been tried or is under arrest awaiting trial. The courts are doing their duty, and we are only bothered with petty offenses, such as bootlegging. Martial law would be a disgrace and a travesty on justice.

J. D. DABBY,  
Sheriff Sabine Parish.

NATCHITOCHES, LA., November 20, 1922.

Congressman JAMES B. ASWELL,  
Care House of Representatives, Washington, D. C.:

Conditions in Natchitoches Parish and bordering parishes are very quiet. Very few violations of law; no mobs, no one fears for life or property; people harmonizing and are generally settling down to business. I can not conceive anyone making such rash, false, slanderous statements against Louisiana's good people. North and central Louisiana are in perfect order. Some one must have had a nightmare.

J. W. PAYNE,  
Sheriff Natchitoches Parish, La.

NATCHITOCHES, LA., November 20, 1922.

Hon. J. B. ASWELL,  
Washington, D. C.:

Any reports that outrages and murders against citizens are being committed or that law violators are going unpunished by officers throughout this State are false and untrue. Local government and citizens of my district cooperating. No terror among people. Conditions among citizens, law-abiding and quiet. Glad to refute such slanderous statements.

JAS. W. JONES, Jr.,  
Judge Eleventh District Court of Louisiana.

COLFAX, LA., November 20, 1922.

Hon. J. B. ASWELL,  
Member of Congress, Washington, D. C.:

Conditions in my parish for peace and quiet excellent. Could not be better under circumstances. No unrest among the citizens; only minor violations of the law, mostly caused by the whisky element. As for the need of martial law, such an idea is ridiculous, false, and infamous and without foundation. Such propaganda could only come from a revengeful mind to satisfy personal grudge. Officially I am in touch with the sheriffs throughout the State, being located in the center, thus know conditions generally to be excellent.

It is only the wicked who are peeved and looking for refuge under the guise of the Government.

I am exceedingly grieved to know our great State and its good people are being wrongfully accused.

L. O. CLINTON,  
Sheriff Grant Parish, La.

LEESVILLE, LA., November 19, 1922.

Hon. JAMES B. ASWELL,  
Member of Congress, Washington, D. C.:

Law and order prevail in Vernon Parish. Local officers performing duties. No disorders here and anticipate none; rumors to contrary absolutely false.

D. F. TURNER, Sheriff.

JENA, LA., November 19, 1922.

Hon. J. B. ASWELL,  
Washington, D. C.:

In reply to your telegram, beg to advise that the statement referred to in Washington press as to willful violations of the law and that officers do not put forth every effort to enforce the law are absolutely false and there are not grounds for such statement. We have some minor violations of law, such as violating the Volstead Act and Hood bill. The conditions of our parish for the past three or four years have greatly improved as to respect of our State laws. We do know that our officers and citizens do not deserve any such unjust criticism. Our citizens and officers, with respect to the enforcement of law, will compare favorably with any parish or county in the United States. Your telegram is our first intimation of such complaint. From Governor Parker's speeches and newspaper clippings in Louisiana we note that most service complaints are against the Klan known as Ku-Klux



Klan. If there is any such organization in La Salle Parish, we have no knowledge of it, and there has been no violations that have been attributed to the Klan. We assure you that we stand for enforcement of law and we do not need any Federal aid.

J. B. PEYTON, Sheriff.  
F. E. JONES, Judge District Court.

MANY, LA., November 20, 1922.

J. B. ASWELL,  
House of Representatives, Washington, D. C.:

Louisiana papers carry nothing about matter in message; think there must be some mistake made by newspaper. Everything quiet and orderly here.

W. H. VANDEGAER.

ALEXANDRIA, LA., November 19, 1922.

J. B. ASWELL,  
House of Representatives, Washington, D. C.:

Press comment is false; we have the most prosperous and peaceful country in the United States; less crime committed in Louisiana than any other State in the United States.

JONAS ROSENTHAL.

MARKSVILLE, LA., November 20, 1922.

Congressman J. B. ASWELL,  
Washington, D. C.:

Your telegram a great surprise; nothing of the kind exists or ever thought of. This part of the State as peaceful and law-abiding as ever in its history.

AMET GUILLOT, Sheriff.

MARKSVILLE, LA., November 20, 1922.

Congressman J. B. ASWELL,  
Washington, D. C.:

Peace and quiet never more supreme, as at present no such conditions exist as referred to in your message.

S. ALLEN BORDELON, Judge.

ALEXANDRIA, LA., November 20, 1922.

Congressman JAMES B. ASWELL,  
Washington, D. C.:

Your wire to Sheriff David read. The complained of conditions in this State and its parishes attributed to Governor Parker through daily press is purely imaginary on his part. I have lived in this State practically all my life and have never known conditions any more peaceful or orderly than at present.

SWORDS R. LEE.

ALEXANDRIA, LA., November 19, 1922.

Hon. J. B. ASWELL, Member of Congress,  
Washington, D. C.:

Telegram to sheriff received. I wish to brand such charges as malicious unqualified lies. If press report true, I am sure Governor Parker has been misled by some false, malicious, cowardly friends possessed of solely mercenary motives. If such be the governor's attitude would recommend he be sent to Surgeon General for S. C. D.

MARVIN CAPELL, M. D.

ALEXANDRIA, LA., November 20, 1922.

JAMES B. ASWELL,  
United States House of Representatives,  
Washington, D. C.:

Your wire date; have conferred with sheriff and others. Rumors absolutely without foundation; law and order never was better observed in Rapides than to-day. Surprised, and news came like thunder-bolt. Must be malicious statements from unreliable source. Our officers competent and doing their duty. No more peaceful community in the United States than this. You can most emphatically deny any allegation of need of martial law here. We resent any such statement being made and desire to know names of parties circulating such reports.

A. T. FELT,  
General Secretary Alexandria Chamber of Commerce.

Mr. ASWELL. Gentlemen, these convincing telegrams from every parish in my congressional district should remove the stain from the fair name of our State, reveal the fine spirit of our people, and impress upon the country the magnitude of the crime committed against a State blessed not only with patriotic and progressive people but rich in natural location and varied resources little known to the world. [Applause.]

Louisiana contains 45,996 square miles of land and 2,328 square miles of landlocked bays, lagoons, and rivers.

Louisiana soils are divided into alluvial lands, sea or coast marsh, redeemable by levees and drainage, bluff land, prairies, long-leaf pines, hill lands, and oak lands.

Louisiana is composed of 28,000,000 acres of land, of which only about 5,500,000 are cultivated, and on these there are yearly produced crops valued at \$350,000,000.

Louisiana's climate is admirable—breezy and cool in summer, mild in winter, healthful at all times. The State is not subject to extremes of heat in summer or of cold in the winter.

Louisiana's products are varied and abundant. Sugar, cotton, corn, rice, tobacco, oats, wheat, sorghum, jute, hemp, ramie, grasses, clovers, and forage crops; millet, potatoes, vegetables, oranges, lemons, mandarins, olives, figs, and grapes are produced with great profit and little labor.

Louisiana's live stock consists of sheep, horses, hogs, cattle, and mules. Her pastures are inviting, her waters are pure and refreshing, and her canebrakes in winter offer protection and forage.

Louisiana's railway system traverses 7,780 miles.

Louisiana leads all other States this year in highway construction.

Louisiana has more navigable rivers and a greater length of navigable waterways than any other State.

Louisiana's rivers, bayous, and lakes are mostly navigable and many run north and south through the entire State. They furnish transportation facilities for many commodities and create competition in rates. They furnish water for irrigation, are deep, running streams which abound in fish and furnish cool water for stock.

Every parish except four can be reached by navigable streams at some period during the year.

Louisiana produces one-half million bales of cotton annually.

Louisiana produces 95 per cent of all the cane sugar raised in the United States.

Louisiana grows more rice than any other State in the Union.

The strawberry and vegetable crops of Louisiana amount to more than \$5,000,000 annually.

Louisiana's fishing grounds and oyster beds are famous and abundant and furnish the most delicious of these luxuries in the world.

Louisiana is the coming seat of the oyster industry of the United States. Her tidal bottoms, the home of the oyster, embrace 4,500,000 acres, a greater area of oyster waters than have Maryland and Virginia combined.

Louisiana's forests are magnificent and the varieties of her timbers numerous. They consist of oaks, hickories, ash, elms, gums, magnolias, pines, maples, cypress, and a quantity of others.

Louisiana is the first State in the Union in lumber production.

Louisiana's fuel-oil and natural-gas fields are unsurpassed in the United States. Some of her oil wells have a record of 3,000,000 barrels of oil each.

Louisiana has the greatest deposit of pure rock salt in the Western Hemisphere. It comes up to 99 per cent pure.

Louisiana's educational facilities are splendid. Every parish is well provided with public schools for both white people and negroes.

Louisiana's private universities, colleges, and schools are of high order.

Louisiana's State university and agricultural and mechanical college is an up-to-date institution, and within a few years will be entirely rebuilt.

Louisiana's normal college at Natchitoches is a splendid training school, offering great advantages in scholarly education.

Louisiana's polytechnic schools at Ruston and Lafayette are well equipped.

Louisiana's Southern University, a State school for negroes, is equal to any in the South.

Louisiana has a splendid deaf and dumb institute, a new institute for the blind, two charity hospitals, a soldiers' home, large and commodious buildings for the infirm, and an institution for the negro blind.

Louisiana has four State agricultural experiment stations—at New Orleans, Baton Rouge, Calhoun, and Crowley.

Health conditions in Louisiana are good. The death rate is far below that in many States in the Union.

Louisiana's towns and cities are progressive, thriving, businesslike, and anxious to welcome people from other sections.

Louisiana's people are law-abiding, liberty-loving, and God-fearing—red-blooded patriotic Americans.

Louisiana's wealth of sunshine and climate; her treasures of natural resources boundless and as yet untold; her minerals, forests, and fertile soils; her 7,000,000 acres of unoccupied cut-over lands; the world-famed hospitality of her citizens, all offer unexcelled opportunities for worthy people from other States to come among us, become citizens, and enjoy with us the astounding riches and opportunities of our State. Her population numbers less than 2,000,000, while there is room for 10,000,000 happy and prosperous people. We have extended a hearty welcome to all the worthy who choose to live among us. We love our country and, like Abou Ben Adhem, we love our fellowman. [Applause.]

The tide has turned to Louisiana. The cry throughout the land to-day is not "Young man, go West," but "Young man, go South," to Louisiana. Our people with open hearts and earnest purpose are eagerly inviting capital to be invested in our rare industrial and financial opportunities.

What a cruel blow below the belt industrially and financially to our hopes and purposes! How costly and difficult the regaining of former prestige! The impression by the publication

of vile and groundless stories sent broadcast throughout the length and breadth of the land has placed in the public mind the belief that lawlessness, crime, murder, and bloodshed are rampant in the State of Louisiana. A dagger has been thrust into the heart of our people and unless withdrawn now the wound will be bleeding for years to come. The injury done to our State and people is appalling. We are charged with being a people more lawless than the Mexicans ever were and whose State government is more puny and feeble than that of Russia, but when the record is given in detail, thank God, the clouds will pass away and the sunshine of promise will burst upon us again with the country seeing Louisiana still marching forward in peace, in progress, in contentment, and in purpose equal to that of any other State. Like a rare gem in the crown forming the States of the Union, Louisiana will continue to radiate the glory of her proud people in their natural wealth and in their religious freedom and political independence. [Applause.]

The Governor of Louisiana now denies responsibility for the whole matter, but, Mr. Speaker and gentlemen of the House, it is interesting to note that the sensational story was released in Baton Rouge Saturday night for the Sunday papers, as the governor dramatically left for Washington and gave out interviews along the way. Finding no committee, brass band, or banners to receive him at the station here, receiving scant encouragement from any Member of Congress, and meeting at the White House the big-hearted, personally lovable President, who cordially greeted him as he greets all his fellow citizens, the governor found a chilly reception when he asked for Federal interference in a sovereign State. [Applause.]

The governor then undertook to "kiss himself out" of the embarrassing situation by declaring he had not come to seek Federal interference and denying all responsibility for the murderous assaults upon the State of Louisiana in a letter to the Washington Post as follows:

Never since I have been reading newspapers have I known a writer to build such a fanciful superstructure on such a slight foundation of fact as has been done by George Rothwell Brown, of your staff, in the article sent you from Baton Rouge and printed with such display in your issue of Sunday. The article is a slander on Louisiana and on its chief executive.

I did not see your correspondent and he made no application for an interview. Most of his statements could have been disproven had he made even the most superficial investigation. To state that the klan "has reduced the sovereign State of Louisiana to the vassalage of the invisible empire" is one of the most extravagantly inaccurate observations I have ever known a newspaper man to make, and it is the more inexcusable because the man was on the ground. There is absolutely nothing on which he could have based his statement that "the machinery of State government has almost ceased to function."

There never has been the most remote idea on the part of anyone in Louisiana of appealing to the Federal Government "to go into the State of Louisiana and take over the administration of government."

I will not take the time to deny each of the many misstatements in your article, but can say it is 90 per cent inaccurate and conveys a totally wrong impression. The damage done by this article and the importance given it by the display with which you presented it will be made the subject of conference on my return to Louisiana, at which time it will be decided as to the further action that will be taken.

Masked men and invisible empires have no place in America, and I have denounced the Ku-Klux Klan as vigorously as I know how in its own stronghold. We have only begun to fight this movement, which strikes at fundamentals of orderly government. We will be able to rid Louisiana of this vicious development the more quickly if we can have the help of other States and of the Federal Government. We can deal effectively with our local situation if it can be cut off from the support and encouragement it is receiving from the outside. I have sought cooperation in an effort to meet the situation in the most immediate way, and to free the people of some of our communities from the terrorism in which they now are held. Since the klan does not work in the open, I may say that the problem presented is largely an investigational one.

You will note that in one paragraph he denies and in another he admits, then he denies and again he admits.

The governor says 10 per cent of the Post story is true. Let him tell the world who gave Brown that 10 per cent.

In his dilemma, as he denies he ever sought Federal control of Louisiana, the governor evidently forgot that on October 30, 1922, discussing the disappearance of a man in Morehouse Parish, La., as a result, citizens who reside there say, of a neighborhood feud which had existed for many years, in a letter to Mr. Joseph Morningstar, 650 West Thirty-fourth Street, New York City, the governor said:

It will be necessary to use all the influence at your command to get the United States Government to take an interest in this matter, and for that reason I would appreciate your writing me at length your opinion of this man as a soldier, and put it in such shape that I can send it to Washington with the certainty that it will bring results. If these results do not come quickly, could I impose upon you by asking you to get in touch with all your Congressmen and Senators, requesting that they take the matter up with the Department of Justice to see that not only is this matter probed to the bottom but that the murderers are brought before the bar of justice?

In sending Governor Parker's letter to Senator WALSH of Massachusetts on November 9, 1922, printed in the CONGRESSIONAL RECORD of yesterday, Mr. Morningstar, of New York

City, in an appeal to Senator WALSH to get Federal action in the Louisiana case, said:

Where the governor of a State admits that justice can not be secured through local authority it seems obvious that the Federal authorities gain jurisdiction, and the copy of the letter of Governor Parker clearly puts this case in that category.

Do these letters not prove that Governor Parker for many weeks has been trying to invoke Federal usurpation of the government of a sovereign State?

The President, of course, denied him Federal interference in Louisiana. Then, after repeated denials and admissions of his purpose in coming to Washington, the governor took a parting shot at the Louisiana situation in the afternoon papers of yesterday:

A man is a damnable coward to attach himself to such an organization and remain within it as one of its active forces. It is now my solemn duty to whip them. Louisiana will soon see a fight to the finish. The best people of the State are behind me, and I know I will win.

If we could have some help from the several States and from the Federal Government the matter of delving to the bottom of the rotten mess would be made easier.

I know nothing of the Ku-Klux Klan in Louisiana except from statements in the press, generally resulting from the governor's public threats, bluff, and bluster. With the exception of Mr. Simmons, of Atlanta, who appeared here in a public hearing, I have never to my personal knowledge seen a klansman. I was in every parish in my district in the summer and no one discussed the Ku-Klux Klan with me or sought in any way to connect me with the Klan or with its enemies. I am therefore free to defend the people of my district and State without reference to any fraternal or religious organization.

I am 100 per cent Louisianian and I resent the attempt to surrender the sovereignty of my State to Federal authority. [Great applause.] I resent the unwarranted and libelous assaults upon the law-abiding people of Louisiana. I gladly defend all the people of my State against such injustice. If these villainous published attacks as the record indicates were caused by assertions of the Governor of Louisiana, he presents a humiliating and pathetic spectacle playing cheap politics at the expense of our State to gain front-page notoriety. He may perhaps have his eye on our senior Senator's seat, or on the office of Vice President with the Progressive Republicans in 1924, who announce a meeting here early in December to take over the present Republican Party, now about to go into political bankruptcy, write its platform, and name its candidates. What difference to him whether Democratic Senator or Republican Vice President? Judging from the thrilling story sent out from Baton Rouge, the governor came, waved the red flag against the people of his State, and got publicity ahead of the Progressive show, perhaps to attract their attention. But I denounce in unmeasured terms the attacks upon the good name, the honor, the integrity, and the patriotic devotion of the law-abiding people of the great sovereign State of Louisiana, a people whose high regard for law and order, whose civic pride, whose moral integrity, whose ready obedience to law, whose unselfish devotion to State and country, whose fine Americanism are surpassed by none in this or any other land. [Applause.]

If the Governor of Louisiana finds himself helpless, if there is a crisis in Louisiana, a riot, an uprising, or public emergency, why has he not called out the State militia or assembled the Louisiana Legislature, instead of damning our State with a demagogic public appeal for Federal aid from a Republican national administration?

Upon what ground can Federal law be invoked in the Louisiana case? Why has not the Governor of New Jersey appealed for Federal aid in the Hall-Mills case? Establish this precedent, and should a southern darkey steal a chicken and the local authorities fail to catch him, Federal officers could be sent into the State to track him down and punish him for stealing the fowl. This proposal is too preposterous and absurd to be discussed among intelligent men. [Applause.]

It is inconceivable, it is monstrous that after 50 years of peace and patriotic devotion of the southern people to the flag of our country the governor of any State, North or South, should seek again to bring the damnable disaster of even a semblance of carpet-bag rule upon any sovereign State. I care not what others may do, but I for one will go to any humanly possible limit to prevent the enactment of this crime against my State, against a people so proud, so loyal, and so devoted to our country and her institutions. [Applause.]

Mr. GARRETT of Tennessee. Mr. Speaker, may I have the attention of the gentleman from Wyoming [Mr. MONDELL] for a moment? There are two gentlemen from Louisiana who desire about 10 minutes each to speak somewhat along the same lines as the gentleman from Louisiana [Mr. ASWELL] has just spoken.



Mr. MONDELL. How many?

Mr. GARRETT of Tennessee. Two. Will it be agreeable to the gentleman to let them speak now?

Mr. MONDELL. Mr. Speaker, I think it is entirely proper for these gentlemen to be heard.

Mr. GARRETT of Tennessee. I ask unanimous consent that the gentleman from Louisiana [Mr. WILSON] may speak for 10 minutes.

The SPEAKER. Is there objection to the request that the gentleman from Louisiana [Mr. WILSON] may address the House for 10 minutes?

There was no objection.

The SPEAKER. The gentleman from Louisiana. [Applause.]

Mr. WILSON. Mr. Speaker, I ask unanimous consent to revise my remarks.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to revise his remarks. Is there objection?

There was no objection.

Mr. WILSON. Mr. Speaker and gentlemen of the House, I merely wish to make a short statement expressing in a general way my grievous disappointment and indignation at the great injustice that has been done the people of my State and of my congressional district. It is useless to go into details about this matter. I have no particular criticism to level against anyone, except that which would naturally arise out of a condition of this sort; but as a citizen of Louisiana and as a Member of this House and as a representative of a great congressional district, I feel it is my duty to condemn in unmeasured terms the unwarranted assault upon local authorities and people of Louisiana and to defend them so far as possible against the statement that they are unable to enforce the law in Louisiana and to control their domestic affairs.

Gentlemen, out of all the pitiless publicity that has come to my State, out of all the insinuations that our local government has broken down, that lawlessness is rampant and that life is insecure, what do you find? Going over this entire record you will find presented to the Nation only one law violation in one locality.

I wish to assert here that Louisiana and the people of Louisiana are just as law-abiding as the people in any State of this Union. Probably the biggest question in America today is one of law and order, one of respect for and obedience to the legally constituted authorities. But in each State it is the duty and the province of the citizenship of that State, of the courts of that State, to enforce its own laws and punish those who violate them. I think the action of the President in notifying the people of Louisiana and the authorities in Louisiana that the Federal Government would not interfere because no Federal question was involved was admirable. [Applause.]

Now, in all this publicity and out of all the things appearing in the newspapers throughout the Union, in all the charges against my State as to lawlessness, I say they have only mentioned one crime committed in one locality, and I doubt if any other State could show a record equal to that. Since we have been here we have seen riots in Washington, midnight murders and assassinations. This District is under the jurisdiction of Congress. Why should the State of Louisiana come here for protection? The State of Kansas just now is having trouble similar to that ascribed to the State of Louisiana, but is attending to her own business and not asking any assistance at the hands of the Federal Government.

The parish of Morehouse, in my district, is the particular point under fire. I can say that Morehouse Parish is one of the most progressive and law-abiding parishes in Louisiana, and the town of Mer Rouge, where the crime is alleged to have been committed, is one of the best communities in the State. But if the crime referred to is ever to be ferreted out and punished, it will have to be through the authorities of the State of Louisiana and of the parish of Morehouse.

I want to express my appreciation to the Members of the House for the various assurances they have given that they do not believe the charges made against my State. [Applause.] The people of Louisiana, just as those in other States in the Union, resent any attempt to draw the Federal Government into taking charge of the local affairs and interfering with their local self-government. Every time that experiment has been tried it has resulted disastrously. We know what it means to the citizenship of any State to draw the Federal Government into interference with the local or State government.

Gentlemen, I wish once more to enter my solemn protest against this attempt to get the Federal Government to interfere with the affairs of our State, and to express my indignation on account of the damaging publicity that has been given the affairs of Louisiana through any attempt by officials of Louisiana

or newspapers to destroy her prestige and the good name of her people by the imputation that she is helpless and impotent in any respect.

Mr. BUTLER. Will the gentleman yield?

Mr. WILSON. I will.

Mr. BUTLER. Is there any evidence anywhere that the governor has asked for Federal interference, except what is in the headlines in the newspapers?

Mr. WILSON. I think there is.

Mr. BUTLER. I have been watching for that and have not seen it.

Mr. WILSON. The governor's statement was that he came to this city for Federal assistance; that is his statement that was printed in the press. These newspaper articles state that the attempt was to be made to have the Federal Government take charge of the affairs in Louisiana, and that the local State government had broken down.

Mr. PARK of Georgia. Will the gentleman yield?

Mr. WILSON. Yes.

Mr. PARK of Georgia. Did not the letter of the governor, in which he denied the statement in the newspaper, bear out the very statements that the newspaper made?

Mr. WILSON. These letters are in the RECORD and will speak for themselves.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. SANDLIN] may proceed for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Speaker and Members of the House, I regret it as exceedingly unfortunate that the time of this body should be taken up by the discussion of matters of this kind. My colleagues from Louisiana have gone somewhat into the details in the discussion of what I believe and know is a base slander against the people of my State. I was much surprised on getting off the train Sunday morning to take up the Washington Post and reading the story which the gentlemen have referred to.

The evil effects of a slander against the character of anyone, when once circulated, can not be entirely eliminated. This is true with reference to a State.

However, I feel that I would not be representing my people did I not do all in my power to refute the effects of an unwarranted, uncalled-for, and vile slander which was contained in the article published in the Washington Post on last Sunday. I will direct my remarks to that part of the article which said—

That the courts of the State cease to function and citizens are in terror.

I have lived in the district which I have the honor to represent all my life. Previous to my service here I was connected with the courts of my State for 16 years in the capacities of prosecuting attorney and district judge.

I have just returned from Louisiana, where I spent two months amongst the people of my district. I personally know the Federal, State, and parish officers; saw and talked to most of them while there, and heard of no trouble of any kind of the nature as outlined in the Post's story.

The reason for the writing of this story I do not know. I can not say whether it was caused to further some one's political ambition or not. The article would indicate that the writer was in touch with the Governor of Louisiana and was representing his views. However, the governor has stated over his signature that he did not see the writer of this article. That is a controversial matter between the Governor of Louisiana and the Washington Post. But what I want the Members of this House to know is that the conditions in Louisiana, as given me by Representatives from other sections, and the conditions in my district as I know them would not justify the slanderous article which was carried in the Post on Sunday.

I know that this article is a gross and unfair misrepresentation of conditions as they really exist in Louisiana, and feel impelled to condemn and denounce it as an unjustifiable slander of our splendid people and the good name of our State. I can not lead myself to believe that the governor and chief law officer of our State could be so misinformed as to the law and the facts as to ask for Federal intervention to supersede and displace the legally constituted authorities of the State of Louisiana and destroy local self-government. I deny that any legal or constitutional authority exists for such a course as pointed out in the Post's story, which quotes section 4 of Article IV of the Constitution of the United States, as follows:

The United States shall guarantee to every State in this Union a republican form of government and protect each of them against invasion and, on application of the legislature or of the executive (when the legislature can not be convened), against domestic violence.



For this section of the Constitution provides for action by the State legislature, when it could be convened, before any action is authorized by the governor; and yet the Post's article indicates that the governor and attorney general are ignoring this plain provision of the law and are seeking to set up a carpet-bag government in Louisiana without the consent of her people. Through this infamous, uncalled-for, and unwarranted article Louisiana has suffered irreparable injury, her people and authorities placed in a false light before the Nation, as evidenced by expressions from the press and pulpit here in the Capital City; and while I realize the injuries done our State can not be repaired and her loss of prestige fully restored, I feel that I voice the sentiment of her people, irrespective of rank, creed, or individual views with reference to any organization, when I enter my indignant protest and unhesitatingly assert that Louisiana is capable of local self-government and of the administration of her laws and the dispensation of justice through her own chosen officials and tribunals, which are as competent and patriotic as in any other State in the Union.

There are Ku-Klux Klansmen in Louisiana the same as in Washington, New York, Chicago, and Boston. Just why my State should be singled out for such outrageous slander and pitiless publicity is more than I can understand. I have just returned from Louisiana, and know of no conditions to justify in any respect the statements appearing in the press about the Ku-Klux Klan in Louisiana. The courts in Louisiana, Federal and State, are intact and able to function without any interference from the Federal Government. The intimation that the National Government should take charge of the State is an outrageous slander on Louisiana and will be resented by its citizens, irrespective of section or organization, be it secret or open.

We have a man at the head of affairs in this Nation who, I believe, before he will lend his aid to any such drastic action that has been proposed will demand more evidence than a newspaper report or statements from some one with political ambitions.

I am gratified with the expressions of Members of this body, coming from all sections of the country, who have frankly assured the Members from Louisiana that they do not believe these reports that have been carried in the press.

Summing the whole matter up, I say that it is all bunk. [Applause.]

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, after what has been said with regard to the great and good State of Louisiana and in her defense, I think it might be well to have the Record record the fact that no one outside of the State of Louisiana, so far as I know, has suggested any extension of Federal control over that great Commonwealth. So far as I am informed, no one in authority in the Federal service, in Washington or elsewhere, has suggested, encouraged, or approved any extension of Federal authority over that Commonwealth. We all wish Louisiana well. We all have very great confidence in her. We approve what her representatives have said in her behalf, and on this side we are just as earnest as they are that Louisiana and all the States shall retain in full force and effect all of their sovereignty and work out their own problems. [Applause.]

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its chief clerk, announced that the Senate had passed the following resolutions:

##### Senate Resolution 361.

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. CHARLES R. CONNELL, late a Representative from the State of Pennsylvania.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

##### Senate Resolution 362.

*Resolved*, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN I. NOLAN, late a Representative from the State of California.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

The message also announced that the Senate had passed the following resolution:

*Resolved*, That the House of Representatives be requested to return to the Senate the bill (S. 3855) to ascertain and settle land claims of persons not Indian within pueblo Indian land, land grants, and reservations in the State of New Mexico.

#### SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 2212. An act for the future safeguarding of the White House collection of the presidential china; to the Committee on the Library.

#### ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 10144. An act conveying the peninsula of Presque Isle, Erie, Pa., to the State of Pennsylvania, its original owner, for public park purposes; and

H. R. 367. An act for the relief of J. Irving Brooks.

#### THE MERCHANT MARINE.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit the following privileged report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

##### House Resolution 446.

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering H. R. 12817, a bill to amend and supplement the merchant marine act, 1920, and for other purposes. General debate on said bill shall continue until the Committee of the Whole House on the state of the Union rises on Saturday, November 25, at which time general debate shall terminate. The time for such general debate shall be controlled and divided equally by the chairman and the ranking minority member of the Committee on the Merchant Marine and Fisheries; that on Monday, November 27, the bill shall be taken up for amendment under the five-minute rule; that the consideration of the bill for amendments shall continue not later than the hour of 4 o'clock postmeridian on November 29, at which hour the committee shall rise and report the bill back to the House with such amendments as may have been agreed upon; whereupon the previous question shall be considered as ordered on the bill and on all amendments thereto to final passage without intervening motion except one motion to recommit.

With the following committee amendments:

Line 10, page 1, strike out the words "controlled and" and insert, after the word "equally," the words "between those in favor of and those opposing the bill and shall be controlled."

Page 1, line 11, after the word "member" insert "opposed to the bill."

Line 15, strike out the word "that" and insert the word "than" after the word "later."

After line 6, page 2, add the words "that in consideration of the bill any appropriation made in the bill shall not be subject to a point of order."

Mr. CAMPBELL of Kansas. Mr. Speaker, what has the gentleman from North Carolina [Mr. POU] suggested in relation to time for the consideration of the resolution?

Mr. POU. Would the gentleman from Kansas be willing to have 40 minutes on a side on the resolution? In view of the importance of the legislation to be considered I think there ought to be that much discussion.

Mr. CAMPBELL of Kansas. I think that is a fair suggestion.

Mr. Speaker, I ask unanimous consent that the time for the discussion of the rule be limited to 40 minutes on a side, one-half to be controlled by myself and one-half to be controlled by the gentleman from North Carolina [Mr. POU].

The SPEAKER. Is there objection?

There was no objection.

Mr. CAMPBELL of Kansas. Mr. Speaker, the resolution as amended provides that the shipping bill may be taken up for consideration. It allows three days of general debate, continuing until Saturday of this week, including that legislative day. It also provides for three days' consideration under the five-minute rule for amendment and for a vote upon the bill at 4 o'clock on the 29th day of this month. The rule leaves the consideration of the bill under the five-minute rule open to the widest amendment on the floor. Indeed, in order to make it possible that the House itself shall have the greatest opportunity for considering the bill for amendment, the Committee on the Merchant Marine and Fisheries took the bill into the committee and inserted as a part of the bill many amendments that they had intended offering from the floor. This was done in order to save the time for the Members of the House to offer such amendments as they might deem proper. It is thought that three days devoted to amending the bill will give every Member of the House an opportunity for the presentation and discussion of such amendments as are offered for the purpose of bettering the bill.

Mr. GARNER. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. If I understand the provisions of the rule—I have not read it, but I have been advised as to its provisions and have heard the statement of the gentleman from Kansas—



they are that commencing next Monday morning the bill shall be read for amendment under the five-minute rule, and that the bill shall be voted on not later than Wednesday, the 29th, at 4 o'clock in the afternoon.

Mr. CAMPBELL of Kansas. That is true.

Mr. GARNER. I merely make this suggestion to the gentleman that in case—

Mr. CAMPBELL of Kansas. Oh, I can not yield for suggestions.

Mr. GARNER. I would like to ask the gentleman another question. In case a respectable minority should undertake to offer amendments, say to the first 30 pages of the bill, they could occupy the three days in the offering of such amendments and there would be no opportunity to offer amendments to the remainder of the bill.

Mr. CAMPBELL of Kansas. If amendments are offered in good faith for the purpose of bettering the bill, they can be discussed and disposed of on the floor in less time than is provided for in the rules. Opportunity to amend the bill is given under the rule. Any effort to filibuster, any effort to delay action, any effort merely to postpone action upon the bill will be thwarted by the rule calling for a vote upon the bill at the time provided.

Mr. GARNER. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. I can not yield further because I have not the time. Mr. Speaker, I reserve the remainder of my time, and will ask the gentleman from North Carolina to use his time.

Mr. POUL. Mr. Speaker [applause], of course nothing that anyone could say would change the determination of the majority to put through this rule and probably hereafter to put through this vicious legislation. We can not but record our protest. The legislation proposed is in harmony with the policy of the Republican Party of always providing to give somebody \$10 in order to enable that somebody to give somebody else \$1. This bill is the final milestone in the announced program of the Harding administration in its return to normalcy. The first milestone was the tariff bill—the worst measure of its kind ever enacted by Congress. The second milestone was the so-called antilynching bill, and this is the third milestone. It is well that the administration called this extra session, because in the Congress which will follow this there will be 74 places which are known now by Republicans, but which will know them no more in the succeeding Congress. [Applause.]

Mr. Speaker, this rule does give reasonable debate. The majority of the Committee on Rules, however, at the last minute inserted a provision which makes the appropriations that are provided for in the bill not subject to a point of order. We can only appeal from this day to another future day when the cause of the people will have a better opportunity. The action of the President in forcing this bill is plain defiance of the will of the American people if the recent election means anything. [Applause.]

Mr. Speaker, I reserve the remainder of my time.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. FESS]. [Applause.]

Mr. FESS. Mr. Speaker, the rule makes in order a piece of legislation vastly important and quite naturally it will be seriously contested. It is easily understood why that contest is on. I am convinced that the bill opens the way to solve a serious problem, both from a commercial and defensive point of view. I am persuaded that whatever differences there might be in the minds of individual Members as to the proper method of proceeding, to materialize a real necessity, we are generally agreed that the United States ought to become a merchant marine power. There may be those among us who are willing to permanently give up all hope of staying on the sea. I doubt whether there is any great number who are willing to have the country abandon the sea. On the other hand, I think everybody is convinced that it is not a wise economic policy to employ our competitors to carry our overseas trade if it can be done by ourselves. Then, in addition to the economic importance, which is primarily commercial, all Americans can realize the importance of the national-defense element in an American merchant marine. It is needless for me here to comment upon that phase of the problem. Our recent experience makes it unnecessary for further comment. This bill is not the outline of a policy or a declaration of a new purpose of the Government as to whether we are going on the sea or not. We are already on the sea at terrific cost, and the question now before us is rather how are we going to operate our merchant marine; that is, how are we going to profitably run these vessels in the American merchant marine which are now already built? We have now at least 1,500 steel ships, only a small portion of which we are now operating. We must decide upon what we

are to do with them. I am sure we will not scrap them as we did the wooden ships. The country does not want us to convey them to foreign flags and abandon the sea.

Mr. COCKRAN. Will the gentleman yield?

Mr. FESS. I beg the gentleman's pardon; I will yield.

Mr. COCKRAN. Do I understand the gentleman to say that this bill is intended to apply only to ships now in existence and not to apply to ships to be built or operated in the future?

Mr. FESS. The bill is broader than that. The real significance is, What are we going to do with the 1,500 steel ships, 400 of which are in use and 1,100 of which are tied up to the wharves, and by the nature of the case must be expensive or finally deteriorate? When this bill becomes operative, if there is any lack of any character of ships that ought to be built to fulfill the complement of a necessary merchant fleet, of course under the bill that will be done.

I did not mean to use language in the narrow sense, but I meant to say that the big question with us now is how are we going to stay on the seas, not only employing the 400 vessels already in use but add to the vessels we are already operating those 1,100 others which are tied up at the wharf. What is our alternative? I take it that there is no possibility of operating these vessels under the plan of the subvention theory that was our method prior to the Civil War when we were a debtor nation. The mere fact that we built up a merchant marine at that time in that way is not now an argument that we could do it, because we have become a creditor nation instead of a debtor nation. In this case it will operate against rather than for us. If we employ the preferential tariff where we sell more than we buy, it will operate to our disadvantage. That is perfectly clear, and no one can seriously contend that that method is tenable. That leaves us the choice between Government operation or the plan of this bill. Whether it is better for us to go on with Government operation, which I know is very strongly supported by a great number of people in this country as well as by a great number of representatives in both bodies of Congress, I state to you gentlemen frankly that I am not in favor of that alternative. It would seem to me that our recent experience with Government operation of transportation would be decisive against Government ownership of a merchant marine. [Applause.] I think that the evidence of the inefficiency and the wicked extravagance that we have undergone in only recent times in our experiments in Government control ought for all time to put at rest that particular policy of operation. If you and I live long enough to see an end of its bad results, I shall be surprised. I know how a great number of our people argue in favor of it, conceding its inefficiency and wastefulness. They argue that we should go ahead and suffer the loss, no matter how much, so long as it distributes the cost of operation, because the loss will go to the persons who are operating it—that is, those who are employed in doing it—and we could therefore afford to suffer the loss, because while the public pays it it goes to that part of the public employed in the business. Well, the difficulty about that is that the difference in the cost between our operation and our competitors' operation is most largely the difference that we pay our labor in comparison with what is paid to our competitors' labor.

In Government operation the loss is paid out of the Government Treasury without any degree of efficient service. Political operation, which is tantamount to Government operation, from the nature of the case will sacrifice service for place or position and never look to results because no one is responsible, since no one bears the loss. If the Government does it, no one feels it; then why not distribute the cost to those employed, no matter what the loss may be?

If the difference in cost must be made up, then make it specific. And in reality the subsidy in this bill, if you care to call it so—and I do not run away from the word—in reality the subsidy is a subsidy to American labor. If there was no difference in cost of operation there would be no reason whatever for a subsidy. If we were willing to bring our labor to the basis of the labor of our competitors there would not be any doubt at all about our operating an American merchant marine, whether by Government or private enterprise. [Applause.] But I do not believe that it is the thought of the American Government and the American people to place our labor under the same conditions as that of our competitors, whether on the Atlantic or the Pacific. I do not believe that we are ready to go to the same level of either the scale of pay or the conditions under which they work. It has always been the policy of our Government, and especially when within the control of the Republican Party, to maintain the American scale of wages in order to maintain the American standard of living. With our protective tariff we have suc-



ceeded where our laws operate. Attempting on the sea where our laws can not control, we have been driven off the sea. It is because of our inability to cover the seas with American protective legislation that we ask for this protection of our American merchant marine. We aspire to maintain the higher standards of labor on the sea as we have ever done on the land. But with open competition on the sea we have placed our operations at such a great disadvantage in comparison with the operations of our competitors that we were finally driven almost off the seas.

Members of the House, I stand for the higher standards, and therefore I am not inclined to vote for a modification of the navigation laws looking to a reduction of the standard of American labor. There may be need of some revision in detail, but we will hold to the higher standards. If we do that, and that is a matter of law, then I think this Government—unless we are going to continue the business of Government operation, which to me is unthinkable—this Government must make up the difference between the cost of American ships under American law and the cost of operation of competitor ships under our competitors' laws. That difference will exist and must be made up, whatever be our policy on the seas. That seems to me absolutely certain. In Government operation it will be large and indefinite.

If we are to make up the difference, as I assume we must, then let us make it up specifically. Do not make it indefinite. If it is to be a subsidy to labor, let us not permit it under an extravagant, ineffective operation by the Government, where we suffer greater costs with less results, but let us specify what it is to be in the law and then hold those responsible for the efficiency of it responsible for making it a successful merchant marine. That is what this bill attempts to do.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. FESS. I yield.

Mr. BANKHEAD. Is it the gentleman's contention that the benefits of this subsidy will inure alone to the laboring man involved in this question, and that none of the real profit will go to the operators of the ships?

Mr. FESS. The benefits will primarily be to the laboring men employed. I presume that there would be very little, if any, profit beyond what an operator would have, provided he were free to employ foreign labor under foreign conditions, which we will not permit him to do. Our national defense interest will prevent that practice if nothing else would do it. So far as the profit would go, I say to my good friend from Alabama that if the law would make it free for the American company to employ foreign labor, coolie labor, under the conditions that our competitors would employ them, he would make as much, if not more, profit than under this bill. In fact, we are frequently told that no subsidy is necessary if we would repeal these laws. But we will not agree to that. So far as I am concerned I would never agree to the employment on American ships, which might be needed in time of war, of foreigners who have no attachment to our Government.

The SPEAKER pro tempore (Mr. Hicks). The time of the gentleman from Ohio has expired.

Mr. FESS. May I have two minutes more?

Mr. CAMPBELL of Kansas. I yield another minute to the gentleman.

Mr. FESS. Mr. Speaker, as I see it, it is a choice either to go off the sea altogether, which to me is unthinkable, or continue Government operation, which I believe almost every Member of this House except those socialistic in belief will admit is inefficient and extravagant, as well as unwise, and I do not think creditable; or else some plan outlined as this bill proposes. For myself I am going to suggest that Government ownership at this time is not to be thought of. I am perfectly willing to go forward on the basis of this bill, and, as has been said before, whatever is to be paid by the Government toward the operation of the ships of an American merchant marine is a profitable business, as I think it will be returned ultimately to the Government. Otherwise I shall be greatly disappointed. [Applause.]

Mr. HIMES. Mr. Speaker, will the gentleman yield?

Mr. FESS. I regret I can not. My time is up.

Mr. POU. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT].

The SPEAKER pro tempore. The gentleman from Tennessee is recognized for 10 minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, to a stranger to our institutions and indeed to many who are familiar with our institutions it will surely seem very remarkable that an administration which only a few days ago was, if not wholly repudiated, at least wholly discredited should attempt with all the blandishments of Executive power to force through this

Congress a measure to which it is tacitly admitted the great mass of the American people are opposed. And yet in the light of the history of one branch—or shall I say one element—of the Republican Party it is perhaps not strange that with the very death rattle in its throat it runs true to form and seeks to serve in its dying moments special interests and special privilege. [Applause on the Democratic side.]

Of course, in a discussion on the rule one can not enter into the merits of the bill. I suppose it will be admitted—aye, claimed—that the President in his address to Congress yesterday presented the arguments in behalf of this measure as strongly as they have ever been presented and as strongly as they will be presented in whatever bodies may discuss it. It seemed to me to be a strong presentation if the premises be admitted, but we deny the premises. It also seemed to me that in some of the comparisons the President was singularly infelicitous. For instance, he compared that which is requested in this bill with the expenditures that have been made for public highways and for rivers and harbors. Surely no one will be deceived by that comparison. Public highways are built for all; rivers and harbors are improved for all commerce. You do not pay the truck man a subsidy for traveling over one of the highways that the Government builds. [Applause.] This is not a proposition for general public interest. This is a proposition for individual benefit at public expense.

It seemed to me also that there must be some doubt as to whether we could rely absolutely upon the assurance—and, of course, I do not mean to discredit the President's word in any way—that in no event would these expenditures exceed \$30,000,000 and yet meet all the necessities that are claimed to exist. If that be true, then it seems to me the administration is driven to the position where it must admit that if now under the system under which these ships are being operated it is costing \$50,000,000, but by turning them over to private ownership they can be operated for \$30,000,000, then it is a tremendous reflection upon the administration of the Shipping Board as it now stands by the appointment of the present administration. [Applause.]

Oh, in very truth, this is the old, old fight. It is proposed to fix here a policy for 10 years, and which in all probability it is hoped means permanency, whereby the old Republican doctrine is to be carried out of taxing one man in order that another may thrive; to legislate in order that one group of men may live on the sweat of the brows of other men. That is the principle which is involved.

If the rule shall pass, of course, there will be more elaborate discussion of the bill in detail. I see no reason why the rule should pass. Some gentlemen who are opposed to the bill have said, "Oh, let us pass the rule and consider the measure." Why is it that we should pass a rule and consider a measure which we know the people do not want, to the exclusion of taking up business which we know the people do want? [Applause.] Why do not gentlemen who have made up their minds to oppose this bill in principle stop it now at the threshold by the defeat of this rule and let us turn to matters of greater moment for which there is a demand and upon which we could all agree substantially?

There are some objections to the rule itself. The gentleman from Texas [Mr. GARNER] in his inquiry of the gentleman from Kansas [Mr. CAMPBELL] pointed out one. This has been advertised as a very liberal rule. That will depend altogether. It has been advertised as a rule that does not restrict amendments. That will depend altogether. I do not know how many amendments are to be offered in this bill. It will depend altogether on whether the legitimate amendments have been reached by 4 o'clock on Wednesday afternoon as to whether it proves liberal.

There is another objection to the rule. That is the last amendment proposed, which makes in order the appropriations carried in the bill. This takes from the Committee on Appropriations the power given to it at the time the Budget was created, and around which in a certain sense the whole Budget system was built. It is proposed now to give to a committee of the House a power which the House itself could not exercise under the general rules.

It seems to me, Mr. Speaker, that we are prepared here and now, that if our own minds have not prepared us the election has prepared us, to meet this proposition at the threshold and check it at this time by the defeat of this rule. [Applause.]

The SPEAKER pro tempore. The gentleman from Tennessee yields back two minutes.

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 10 minutes to the gentleman from Wyoming [Mr. MONDELL]. [Applause.]

Mr. MONDELL. Mr. Speaker, I am not surprised that the gentleman from Tennessee [Mr. GARRETT] should endeavor to



get a good deal of satisfaction out of the fact that the American people have not been altogether satisfied, because in 18 months the Republican administration and the Republican Congress were not able to cure all of the evils and all of the ills that eight years of Democratic administration laid upon the country. [Applause.]

I am not at all surprised that the gentleman from Tennessee [Mr. GARRETT], realizing that one of the greatest scandals associated with the Democratic administration had to do with the building of the merchant fleet, and that one of the most difficult and trying problems laid upon the Republican administration and Congress was that of determining what should be done with the wreck of a merchant fleet the Democratic administration left us, does not now desire to have that question brought up for consideration.

The gentleman from Tennessee [Mr. GARRETT] would prefer to be able to say in the campaign two years from now that the Republican Party and the Republican administration had made no effort whatever to settle what is confessedly and admittedly and beyond all question and peradventure one of the greatest and most trying problems before the people of the Republic. It would be easier for him and his party if at the end of two years they could say, "The Republican Party and the Republican administration were confronted with the question of what should be done to save something out of the enormous expenditure of nearly \$4,000,000,000 made by the Democratic administration for a merchant fleet. The Republican Party has made no effort whatever to settle that great question or to determine whether we are to have a merchant fleet and a shipping policy. The Republican Party has allowed the intolerable conditions which it inherited to continue without making any effort to cure them."

Of course, I realize that the gentlemen on the Democratic side would prefer to be in that position two years from now.

What is the question before us? Is it a question as to whether, lacking an American merchant marine, we shall now proceed to the building up of such a marine and to the establishment of a great shipping policy? That is not the question at all. As was very clearly pointed out by the President of the United States in his address to us yesterday, the question is whether we shall go forward in a constructive way, whether we shall continue a policy of obstruction, or whether we shall enter upon a policy of destruction. Those questions this Congress can not escape. The expenditure was made. The fleet, such as it is, was builded. We have it. It is on our hands. What are we going to do about it? There is some difference of opinion in the country as to what should be done. There can be no difference of opinion among honest men as to the absolute necessity of entering upon a discussion of the question with a view of settling it in the best possible way. Gentlemen may not favor this bill. Gentlemen may find some of its provisions are not satisfactory to them. But gentlemen can not escape—at least gentlemen on the Republican side can not escape—the responsibility of meeting this issue. The conditions demand it. The country expects it. And without regard to what gentlemen's views may be as to the wisdom of the legislation, it seems to me it is the duty of the Congress and of gentlemen on both sides of the House, realizing the situation, to meet the issue squarely and vote for the consideration of the measure.

The gentleman from Tennessee objected because there is a provision in the rule which makes in order an appropriation carried in the bill. I have some doubts as to the wisdom of that appropriation. I am not certain how I shall vote on that question, but I do know that in taking up an important matter of this sort the House should not bind itself in advance. The House should not allow one Member, touching this highly important matter, and in this one particular case, to say that the House, or a majority of it, shall not have an opportunity to modify or change the general rule. The House ought to have that opportunity, and therefore it is wise, it is essential, in the interest of a full and a fair discussion of the legislation, that the House should have an opportunity to determine whether or not that appropriation is justified and shall be approved. In conclusion may I say that without regard to what gentlemen's views may be as to the wisdom of the legislation as a whole or in part, they can not escape, it seems to me, the duty of giving this Congress an opportunity to express its will and judgment touching this highly important matter. [Applause.]

The SPEAKER pro tempore. The gentleman from Wyoming yields back two minutes. The gentleman from Kansas has 16 minutes remaining and the gentleman from North Carolina 29 minutes.

Mr. POUL. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. CANTRILL].

Mr. CANTRILL. Mr. Speaker and gentlemen of the House, the distinguished gentleman from Wyoming [Mr. MONDELL] in making his statement seems to attribute the defeat of his party to the fact that all of the ills of the country were inherited from the Democratic administration which has been out of power for two years. I am very much surprised that the distinguished gentleman should come here at this time after the recent experience and offer that argument, because the same statements were made in every voting precinct in the United States to the American people and they repudiated that doctrine entirely. The party to which the distinguished gentleman from Wyoming belongs has been convicted upon the record that they themselves have made, and as a member of the Democratic Party I am indeed glad that this issue is brought to the attention of the American people at this time. If there is any one issue upon which our party can go to the country it is upon this ship subsidy bill. Of all the bad legislation that has been enacted by the majority party in this Congress, in my humble opinion this is the worst measure of all that they have presented for our consideration. [Applause.] Now, gentlemen of the House, to get down to the merits of the rule and this proposition, I wish to have the record clear, and I state that the members of the Rules Committee on the Democratic side voted solidly against reporting this rule to the House, and I am fully convinced that when the measure itself comes before the House the Democratic Party will be recorded against the passage of the bill. I am delighted to hear that so many Members on the majority side of the House will join us in their protest against this measure. I am not reliably informed as to the situation on the majority side, but I did read a day or two ago in one of the leading Republican papers of the country that after a careful canvass of the House the majority leaders hoped to put the bill through the House by a majority of 25 or 30. You have on this side of the House now something like 169 majority, and if you can not summon more than a measly majority of 25 on that side there must be something radically wrong with the bill. [Laughter.]

Now, gentlemen, one reason why I ask the Members of the House to vote against the adoption of this rule is because the bill that is now before the House is apparently a new bill; at least so I am informed by some members of the committee that reported it. A bill was drawn many months ago and thoroughly discussed in the committee, and was put before the people. Now, as I am informed, even as late as day before yesterday the committee took up the bill, made many important amendments to it, most of them very objectionable, that they were not even discussed in the full committee, and the new bill which this House has not had any chance to study or even read, because the bill was only printed yesterday, comes before the House and we are asked to adopt it under a special rule, a bill that the membership of the committee has not had time to consider. This special rule is for the consideration of a bill which the membership of the House has not had time to consider, and therefore I am opposed to the rule and would like to see it defeated and this matter postponed, so that the membership of the House may have time to give it full consideration.

I can not understand why the majority leaders in this House are so insistent on putting this bill through under a gag rule at this time, or under a special rule, to be polite about it. Why, let me call your attention to the fact that you will have a majority in the next House. You will have a Republican Congress in both branches. The President in the White House is of your political persuasion, and why just a few days after election, in which the people have passed judgment on this measure, do you bring in a special rule here, and why in an extra session of Congress called upon this particular bill to ram it down the throats of the American people when your own party is going to be in power for the next two years? That very procedure in itself would convince me and, I believe, any fair-minded voter or citizen in this country that there is something radically wrong somewhere in this bill that necessitates the calling of an extra session and bringing in a special rule and undertaking to force this bill through the House.

I can not see any necessity for the rule or any necessity for this procedure at this time. If there was to be a change in the administration or in the Congress there would be some justification for your stand; but with your own party in power, I can not see the necessity. Ah, gentlemen, the truth is that the leaders of the majority side know that with a majority of 169 there is such a revolution of sentiment in the Republican Party that you do not dare to submit it to the next Congress, even though you have a majority in that Congress. [Applause on the Democratic side.] My friends, therefore, to keep the record straight, I want to call attention to the fact that the Democratic Party in this House has voted in committee, and I hope



will vote on the floor, against the adoption of the rule, and then let us line up our forces in opposition to the bill.

Mr. Speaker, one thing in the President's message to the Congress yesterday impressed me very much. He called attention to the deplorable condition of agriculture in the Nation. Nearly one-half of our population are engaged in agriculture. Every well-posted citizen in the United States knows that the farmers of the country under this administration have suffered a deflation of their property to the extent of billions and billions of dollars. The President of the United States in his message yesterday recognized that fact, and said that within a short time—no definite time being stated, but at some time in the future—he proposed to come before the American Congress and make some recommendations in behalf of the American farmers. Let me put this question to you: With the deplorable condition of agriculture, in which nearly one-half of our population is engaged, why does the President come before the Congress, after calling the Congress into extra session, and ask it to pass a bill for a Shipping Trust, which will amount to hundreds of millions of dollars, putting that amount into the pockets of the trust, instead of squarely meeting the situation and coming before the Congress and asking relief for agriculture and the farmers of the Nation? [Applause.]

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. CAMPBELL of Kansas. Mr. President, I yield five minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Speaker, under our system of Government the Chief Executive has the power, and one might say the duty, of coming before the Congress and presenting legislation to it for its consideration. During the past eight years, since I have been a Member of this body, the Executive has exercised that function a great many times. I have become more and more convinced that the Chief Executive, who is elected by the people, has the right to have such legislation as he may suggest considered by the Congress. As I say, he is the Executive, he is elected by popular vote, and it is his privilege to present an issue if he desires so to do. I have never felt that any member of the President's party should be bound by the President's expressed views, however, and while I shall vote for the consideration of this bill upon the theory that he has a right to present it to the Congress, I shall oppose its enactment because I do not believe in it, nor do I believe that the people of the country desire its passage.

Mr. JOHN M. NELSON. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of South Dakota. I have only a few minutes, but I am glad to grant the gentleman a second or two.

Mr. JOHN M. NELSON. The gentleman is on the committee. In section 403 of the bill I find the following language:

All moneys in the fund are hereby permanently appropriated for the purpose of making such payments and the refunds authorized by subdivision (j) of section 416.

Does this rule safeguard that permanent appropriation?

Mr. JOHNSON of South Dakota. I shall come to that in a moment, for I expect to discuss it if I have the time. To me the passage of this ship subsidy bill is a revival of the famous cost-plus system originated by Mr. Baker when he was Secretary of War, under which we wasted so much money in the construction of cantonments and in other governmental expenditures. The people of the country do not believe in the revival of the cost-plus system. They have had enough of it.

Of course, we have these ships. It cost the Government \$3,000,000,000 to build them, and they must be operated in some way, either by the Government directly or through a ship subsidy. While in peace time I do not believe in initiating Government operation, yet the fact remains that we have these ships and it is a confession of inability on the part of this Republican administration if we say that the Government can not run those ships, now that we have them. You might just as well say that if the Government had constructed the railroads of the United States we would be compelled to turn them over to some private interest in order to run them at a profit after the Government constructed them. If we continue the policy of passing through the Congress of the United States measures that the people do not want and failing to pass measures that they do want, there will be no Republicans on this side of the House after a while. If we continue with this policy of not giving a bonus to the soldiers of the United States when the overwhelming public sentiment is in favor of it, and giving a bonus to men to run ships when the overwhelming public sentiment is against it, the party can not survive, and I submit to gentlemen on the Republican side of the House that this is the sort of measure that ought to be defeated. [Applause.] That does not mean that we ought not to support the

rule. This is a very liberal rule. This is the kind of legislative issue that Congress ought to meet squarely. This is no gag rule. Any part of this subsidy bill can be voted up or down, in or out, and no Republican need have any doubt that he will have a free and untrammelled vote if this rule be adopted.

The gentleman from Wisconsin [Mr. JOHN M. NELSON] brings up the question of the appropriation that is in the bill. If we are going to have a ship subsidy measure, we might just as well appropriate the money now as to put it off and appropriate it year by year for 10 years, as we would have to do. If we are going to have a ship subsidy, if we are going to adopt this cost-plus system and pay somebody a percentage on the money expended by the Government to run these boats, and we are going to have to spend some money, we might just as well do it now for 10 years as to have this question come up here year after year.

Mr. JOHN M. NELSON. The gentleman does not answer the question. I asked whether this rule would protect this appropriation. I want to vote for the rule; I think it is liberal, but I understand a clause has been inserted which now removes the right of a Member to make a point of order against the appropriation.

Mr. JOHNSON of South Dakota. In my opinion, the gentleman is wrong about that. The right to make the point of order is lost, but any Member of the House may take the floor and offer an amendment when the measure is under consideration in Committee of the Whole to make an appropriation for one year or to strike out the entire appropriation, so that it would be necessary for the Committee on Appropriations to bring in another bill. The rights of the House are absolutely protected under this rule as it is presented, and I would say that if they had not been protected I am satisfied that the rule could never have been reported from the Committee on Rules. As it is presented, I can see no reason for opposition to the rule by any man who opposes the ship subsidy bill.

Mr. POULSEN. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House, no doubt Pikes Peak is one of the most prominent elevated points in the country, and from it one can see more United States territory on a clear day than from any other point in the Union. On the way to the summit of Pikes Peak there is what is called the halfway house. I am glad to note the arrival at the halfway house of the gentleman from South Dakota [Mr. JOHNSON], and I believe that if he will continue along the line he is now traveling he will reach a point where he can really interpret the sentiments and feelings of the American people.

Mr. Speaker and gentlemen of the House, it has been said that one can tell the same thing so often that finally he comes to believe it is true. The gentleman from Wyoming [Mr. MONDALL] has been making the same talk here on this floor so often to the effect that the shortcomings of the Republican Party lie in the fact of its inability to correct the shortcomings of the Democratic administration—he has told that so often that in charity I really believe there is some thread of conviction in his heart as to that assumption. Now, he said that the result of the election only proved that the American people had not been satisfied because the Republican Party in 18 months could not have undone all that the Democrats did in eight years. Of course, perhaps the gentleman from Wyoming has rather a more vivid recollection than some of us as to how the American people do regard the record of the Republican administration and a Republican Congress. But the gentleman from Wyoming, as usual, undertakes in his sweeping charge regarding the shipping program to lay all the blame at the feet of the Democratic administration. Why, we remember here when a Republican Congress was elected in 1918—by the way, the Republican Party has had four years to rectify all these assumed evils instead of 18 months—you remember, on the Republican side of the House campaign orators were constantly vocalizing complaints as to the American program of shipbuilding during the war. Charges of graft, waste, crookedness, inefficiency, and all that kind of thing were indulged in on frequent occasions. And so, finally, there was a resolution introduced in this House to appoint a committee of four Republicans and two Democrats who were to undertake to investigate the program of shipbuilding under the Democratic administration. That committee was appointed by the present Speaker of this House.

The chairman of that committee was the gentleman from Massachusetts [Mr. WALSH], the heir apparent to the Speakership. Mr. KELLEY of Michigan was on that committee, the gentleman from Ohio [Mr. FOSTER], the gentleman from Washington [Mr. HADLEY], four Republicans and two Democrats,



and after months of exhaustive hearings here in Washington, hearings in New York, hearings in Philadelphia, after every witness who could be found throughout the country who either knew or was supposed to know or was accused of knowing anything about the shipbuilding program was brought before that committee, and after months of consideration, what did that committee find? I hold in my hand the report of that committee, known as the Walsh investigating committee. I can not read all, of course. But here is a significant clause from the concluding portion of that committee's report. I quote:

Considering the program as a whole (referring to the shipbuilding program under the Democratic administration) the accomplishments in the number of ships constructed, the tonnage secured, and the time within which the ships were completed and delivered, constitute the most remarkable achievement in shipbuilding that the world has ever seen.

[Applause.]

That is the language of the committee whose solemn duty it was to investigate and report upon those conditions.

The SPEAKER. The time of the gentleman has expired.

Mr. CONNALLY of Texas. Will the gentleman yield me one more minute?

Mr. POUL. I yield the gentleman one additional minute.

Mr. CONNALLY of Texas. That was the conclusion of the committee whose duty it was to report to the House upon that question, and I place that against the belated plaint of the gentleman from Wyoming, who comes now and seeks to justify the difficulties in which the Republican Party finds itself in this charge that has long since been barred by all the rules of political fairness and political justice—I place against that empty charge the report of his own committee which shows the Democratic administration and its record in building the fleet of ships which served the United States and our allies in the war and carried food, munitions, and equipment to Europe for the finest Army that ever gathered under the flag and made possible the triumph of our armies in the tangled forests of the Argonne—this committee said that that program was the greatest triumph of shipbuilding in the history of all the world, and I trust the gentleman from Wyoming and others on that side will not seek to belie the report of their committee by their belated partisan attacks upon a marvelous record. [Applause.]

Mr. POUL. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. COCKRAN]. [Applause.]

Mr. COCKRAN. Mr. Speaker, I should begin perhaps by congratulating the House and the Committee on Rules on the broadening of vision that seems lately to have possessed these lords of the articles. Instead of proposing that a measure of this character shall be passed under limitations which preclude and prohibit amendments from the floor, they are now graciously pleased to accord this body three days of its own time to consider amendments to the pending bill. With respect to the provisions for general debate, I think the rule is reasonable. I have no quarrel with the principle of intrusting a Committee on Rules in a body of this size with power to decide or at least recommend the order in which measures shall be considered from time to time. But I do most strenuously object to the action of the committee in imposing a time limit on the power of the House to consider amendments.

The gentleman from South Dakota [Mr. JOHNSON] with considerable courage has announced that he is determined to oppose this bill, yet he supports the rule because he believes that he and every Member who dislikes some of its provisions will have a chance to offer any amendment that he considers necessary. And the gentleman from Wyoming [Mr. MONDELL], while not going so far as the gentleman from South Dakota, yet does confess to a qualm of conscience about a certain provision, and intimates that unless opportunity were afforded to quiet his scruples by an appropriate amendment he would not support the rule. What certainty has either one of them that the House will have a chance to consider his amendment? Suppose the amendment is not reached when the time limit has expired. What will then be his remedy?

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. COCKRAN. Yes.

Mr. MONDELL. The gentleman evidently misunderstood. I defended the rule. I defended a certain provision of the rule against the attack of the gentleman from Tennessee [Mr. GARRETT]. I said that provision of the rule was highly important in order to give the House, rather than one Member of it, an opportunity to determine what the House would do in regard to a certain provision of the bill.

Mr. COCKRAN. How does the gentleman know the House will have that opportunity? Suppose the amendment is not reached. What is the gentleman's remedy then?

Mr. MONDELL. There is only one way by which by any possibility the House should fail to reach the last paragraph of the bill, and that is by a filibuster.

Mr. COCKRAN. Oh, I want no explanation based on mere assumption.

Mr. MONDELL. A filibuster so objectionable as to prevent progress. But we do not propose to allow that filibuster to be successful.

Mr. COCKRAN. The gentleman makes a statement which is wholly gratuitous. He assumes the existence of a filibuster. The assumption is wholly unwarranted, extravagant, preposterous. The House can always put an end to a filibuster by passing the previous question. Even in committee it can at any time close debate. What I object to is this, that the Committee on Rules should undertake of itself to determine in advance of any action whatever by the House that it is likely to reach a stage of filibustering after a certain date, while as a matter of fact at that very time it may be considering meritorious amendments. The House itself is not left the power to declare when it has completed legitimate enlightening discussion and when, therefore, it is proper to close debate. Would the gentleman from Wyoming accept such an amendment as this to the rule now proposed, where it now provides that the House shall proceed to vote at a certain time would he object to adding the words "*provided that all amendments then pending, which in the judgment of the Chair are not offered for filibustering purposes, are then disposed of*"? Will the gentleman accept that?

Mr. CAMPBELL of Kansas. It would give altogether too much power to the occupant of the chair.

Mr. COCKRAN. Oh, well, if this side is willing to trust the occupant of the chair with that power, I think the gentlemen can compose his nerves. [Applause on the Democratic side.] As a matter of fact the gentleman from Kansas stated here that this limitation is proposed because in his judgment three days afford all the time that is necessary for disposal of amendments. Who is he to decide that? Is he wiser than the House?

The House will be here always competent to decide that very question. Why should this House, now at the very beginning of these proceedings, without knowing how far amendments that may be offered will be helpful, informing, and meritorious—or the reverse—declare that at a certain hour they shall all be shut out and that the House shall proceed to vote then upon a measure which, according to the gentleman from Wyoming and according to the gentleman from South Dakota, may still be in crying need of amendment?

But, Mr. Speaker, to expect consistency from gentlemen supporting a measure of this kind would be something so extravagant that whoever expresses a hope of it by that fact disqualifies himself from any pretense of capacity to instruct or enlighten his neighbors. [Laughter on the Democratic side.] The whole proceeding, the bill itself, the President's speech, the speech of the gentleman from Ohio [Mr. FESS], are all so self-contradictory, so utterly inconsistent with their own propositions, that they strikingly illustrate the inevitable power of truth to assert itself, even through men and through lips that are bent upon perverting it. There is not a proposition laid down by the President which is not controverted and exploded by the arguments with which he seeks to support it. I have not time to consider them all in detail, but the one which is featured most conspicuously in the newspapers friendly to this proposal will serve to illustrate what I say. I will state it fairly. The President declares that this measure is necessary to save our "genius" for marine transportation. In God's name, if we have genius for marine transportation, for what earthly reason do we want the crutch of a subsidy for it? This measure is intended not to vindicate or to maintain our genius for shipping but to impeach and deny it; to declare that by genius, by commercial skill and ability alone we can not maintain an American mercantile marine, and that our only chance of succeeding in it is to plunge our hands into the Treasury—that is to say, into the pockets of men who are in no way concerned in it, and to withdraw from them the profits of their industry and transfer these profits to an industry that can not maintain itself. That is the necessary effect of this legislation if it pass; no other result can possibly flow from it.

The gentleman from Ohio [Mr. FESS] says he is in favor of this measure because if the ships are to be administered by Government agency that would be in effect a direct subsidy to labor, and he wants to give the subsidy in a form where it will first pass through the hands of certain gentlemen who will take care that it all remains in the hands of those who first touch it. [Applause on the Democratic side.]



Why is it that every attempt of the Republican Party to help men who labor begins and ends by enriching somebody else? Was there ever yet a subsidy brought in under Republican auspices to help a struggling, poor, impoverished industry? Every one has been and always will be a grant to some concern already enormously rich. If you want to help an industry that is impoverished and in difficulty, go out and give a subsidy to the farmer for every bushel of wheat he raises. I think such a subsidy would be vicious, but it would be infinitely less vicious than this. It certainly is more important that wheat be produced from the ground than that ships should sail the seas under one flag rather than another. This measure is to preserve the genius of American shipping, according to its authors—to make American shipping live not by virtue of its own merits but by levying on the profits of other industries which support themselves. There is no other way in which subsidies can be paid. Industries can not all be subsidized. If they were, there would be nobody putting anything into the Treasury, but everybody would be drawing moneys out of it. And this manifestly would be impossible. Where a subsidy of any kind is granted it must be drawn from the proceeds of other industries which get no aid and which therefore really succeed through commercial genius alone. So that the effect of this legislation, instead of encouraging the genius for American shipping or "genius" for anything else, is to penalize genius that incapacity may be made profitable. That is your policy. [Applause on the Democratic side.]

Mr. Speaker, I think it is safe to say that the question propounded by the gentleman from Kentucky [Mr. CANTRELL] as to why this measure is pressed now answers itself. Why do you press it now, when another Congress has been elected fresh from the people? I will tell you. You press it now because the new Congress is fresh from the people, and for that reason the new Congress would not permit the enactment of such an infamy as this. You are taking advantage of a feature of our Government—a feature that can not well be changed—which keeps a Congress in existence after its successor has been chosen because it is essential chiefly for the purpose of counting the electoral vote; for a body in existence with recognized authority is the only body capable of settling disputes rising out of a contested election. But when a lame-duck Congress is called in extra session to defeat the very purpose for what its successor was chosen, as in this case, then there may not be technical treason against the Constitution, but there is actual revolt against the spirit of our institutions. [Applause on the Democratic side.]

Mr. Speaker, a good many people are fond of talking about the results of the late election. I think those gentlemen who have prospects of running for office again will perhaps be more susceptible to the lesson of that election than those upon whom the popular verdict has fallen with heavy, crushing, and final weight. Let me say to them that the verdict of that election is that this country is going to be democratic hereafter in fact as well as in name. [Applause.] And, mind you, I say that with very great deliberation, because I have seen it democratic in name, and with the Democratic Party in power, when it was not democratic in fact. Let me give this warning to both parties. This country has solemnly decided that it must be restored to its democratic foundation. The essence of democracy is contained in a very few words. No man must be permitted to take one dollar and enjoy it that is produced by the labor of others, or be deprived of one dollar that has been produced by his own labor. You can not pass this subsidy without taking the fruits of other men's labor and giving it to this bloated Shipping Trust. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. CAMPBELL of Kansas. Mr. Speaker, the gentleman from New York [Mr. COCKRAN] is always entertaining, whether instructive or not. [Applause and laughter.] It is a delight to hear him. The voice and rhetoric of the gentleman from New York have delighted audiences throughout the world. He justly enjoys the reputation of being one of the world's great orators; but we are dealing with a very practical question to-day.

First of all, may I advert to the provisions of the rule that have been mentioned in this discussion? The provision about which some questions have been asked and the only provision, I think, that has been criticized by gentlemen on the other side of the House is that provision that went into the rule by way of an amendment providing that any appropriation carried in the bill should not be subject to a point of order. That gives the Committee of the Whole House on the state of the Union an opportunity to pass upon that provision in the bill rather than the presiding officer, whoever he may be, during the consideration of the bill. Without that provision there is no question that a point of order would be made and that the Chair would pass upon it, and that he would, in all human probability, sus-

tain the point of order. Leaving the proposition in the bill for consideration permits the Committee of the Whole House on the state of the Union to say whether or not that provision as it is or as it may be amended shall remain in the bill. That is the whole thing, so far as that is concerned, and it is not depriving the House of any of its privileges or relieving it of its duties.

The gentleman from New York [Mr. COCKRAN] criticizes the rule for limiting the time for considering the bill for amendments under the five-minute rule. The Committee on Rules has taken into account the number of pages in the bill, the debatable questions involved in the bill, and the number of amendments which were threatened—over 800—as a means of filibustering against the final passage of the bill. It was thought desirable by those responsible for the procedure in the House of Representatives that the consideration of this bill should be concluded before Thursday of next week. In order to do that the rule gave three days for the consideration of amendments. Now, there is no man in the House of Representatives who will say that germane or proper amendments to this bill, to any and all sections of it, may not be offered within that time. If gentlemen had 800 amendments for the purpose of filibustering against the final passage of the bill, that, of course, would make it impossible to reach all of the bill; but I assume that no such attempt will be made now, because the whole question of amendments is thrown open to the House, not alone to the committee in charge of the bill but to the membership, and the committee in charge of the bill has taken the amendments that it considered necessary and has incorporated them as a part of the bill and reintroduced the bill under another number in order to give the House the time for the consideration of the bill for amendments, as provided in the rule.

Now, just a word upon the condition that confronts us.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I am sorry I can not yield. I have not the time.

No one can state as well as the President stated yesterday the situation that confronts the Congress and the American people at this time with respect to our shipping. If this were an original proposition I would not be here to-day and you would not be here to-day listening to me urging a special rule for the consideration of a bill providing for the adoption of a policy of this character. But we are here to deal with a concrete condition that exists in the country. We have over \$3,000,000,000 worth of shipping property that must be dealt with by the Congress. The Executive can not deal with it without authority from us. That \$3,000,000,000 worth of property is diminishing in value hour by hour. Over a thousand of the fifteen hundred ships that we have are at anchor, chained together, deteriorating in value every day, every week, every month, and every year, and it is only a question of a very short time until they will be absolutely valueless. Shall we do something to salvage that property? Shall we take up a bill that proposes a means of restoring that motionless fleet to the sea, of utilizing it, or shall we simply say that we refuse to take up the question at all? If we refuse to consider the question at all we admit the absolute impotence of the Congress to deal with such questions. I am not committed to the provisions of this bill. If any suggestion is made by any of the opponents of the bill, I am ready to give to such suggestion all the consideration to which it is entitled. I suggest that no man occupying the position of a statesman in the Congress of the United States can justify himself before the country or his constituents by simply saying, "I am opposed to this measure." He must say, "I am opposed to this measure because I have a better proposition to offer." If that better proposition is offered by the gentleman from Tennessee [Mr. GARRETT] or by any other gentleman I will vote for it. I will vote for it on a motion to recommit, I will vote for it as a substitute for this bill during its consideration, but the country is entitled to the work of statesmen in the consideration of this bill rather than the work of mere politicians. [Applause.]

Mr. BANKHEAD. I suppose the gentleman is in the former class.

Mr. CAMPBELL of Kansas. I am going to vote my convictions, not as a politician but as I think the question before us affects the welfare of the whole country. I have voted for river and harbor appropriations, knowing that my constituents did not have a ship, were not interested as stockholders in a ship that would enter a port or sail into a harbor. I see no difference in principle between providing harbor facilities for the shipping interests of the country and providing that our own ships may use these facilities. [Applause.]

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Certainly.



Mr. GARRETT of Tennessee. Would the gentleman favor a subsidy for steamboats that operate on the rivers that we improve?

Mr. CAMPBELL of Kansas. I have not come to that. If I ever have the opportunity, which is not at all probable, I will consider that question. I will not dodge it when it arises. [Applause.] Mr. Speaker, all great nations have sought the seas. Our Nation in the past has been able to expend its energies and invest its capital on the land. We are now a continent thickly inhabited by one hundred millions of people, and we reach the sea on three sides. It is as important to this Nation to-day as to any of the great nations of the past, or any great nations of the present, that our ships should sail the seven seas carrying outward and inward commerce, and in order to do that we must meet such competition as the other nations that sail those seas offer us. Every other great nation having ships upon the sea gives government aid to its shipping interests. Whether that be a subsidy, or whatever it may be, they give the aid.

Mr. Speaker, I move the previous question on the resolution and amendments to final passage.

The previous question was ordered.

The SPEAKER. The Clerk will report the first amendment.

The Clerk read as follows:

Line 10, page 1, strike out the words "controlled and" and insert, after the word "equally," the words "between those in favor of and those opposing the bill and shall be controlled."

The amendment was agreed to.

The Clerk read as follows:

Page 1, line 11, after the word "member" insert "opposed to the bill."

The amendment was agreed to.

The Clerk read as follows:

Page 1, line 15, strike out the word "that" and insert the word "than" after the word "later."

The amendment was agreed to.

The Clerk read as follows:

Page 2, after line 6 add the words "that in the consideration of the bill any appropriations made in the bill shall not be subject to a point of order."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. POU) there were 124 yeas and 71 noes.

So the amendment was agreed to.

The SPEAKER. The question now is on agreeing to the resolution as amended.

Mr. POU. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 110, not voting 121, as follows:

## YEAS—200.

Ackerman	Ellis	Johnson, Wash.	O'Connor
Anderson	Evans	Kahn	Ogden
Andrew, Mass.	Fairchild	Kearns	Paige
Andrews, Nebr.	Fairfield	Kelly, Pa.	Parker, N. J.
Anthony	Faust	Ketcham	Parker, N. Y.
Appleby	Fenn	Kirkpatrick	Patterson, Mo.
Arentz	Fess	Kissel	Patterson, N. J.
Atkeson	Fish	Kline, N. Y.	Perkins
Bacharach	Fitzgerald	Kline, Pa.	Perlman
Beedy	Foster	Knutson	Petersen
Begg	French	Kraus	Radcliffe
Benham	Frothingham	Langley	Ransley
Bixler	Fuller	Larson, Minn.	Reber
Bond	Funk	Lawrence	Reece
Bowers	Gensman	Layton	Reed, N. Y.
Britten	Gerner	Lea, Calif.	Reed, W. Va.
Brooks, Pa.	Gifford	Lee, N. Y.	Ricketts
Burdick	Glynn	Leibach	Riddick
Burtness	Goodykoontz	Lineberger	Roach
Butler	Gorman	Little	Robertson
Campbell, Kans.	Graham, Ill.	Longworth	Robison
Campbell, Pa.	Graham, Pa.	McDuffie	Rodenberg
Cannon	Green, Iowa	McLaughlin, Mich.	Rogers
Chalmers	Greene, Mass.	McLaughlin, Pa.	Rose
Chindblom	Greene, Vt.	McPherson	Sanders, Ind.
Christopherson	Griest	MacGregor	Sanders, N. Y.
Clarke, N. Y.	Hadley	MacLafferty	Scott, Mich.
Cole, Iowa	Haugen	Madden	Shelton
Cole, Ohio	Hawley	Magee	Shreve
Connolly, Pa.	Hays	Mann	Siegel
Cooper, Ohio	Hersey	Mapes	Sinnott
Cooper, Wis.	Hickey	Merritt	Slemp
Coughlin	Hicks	Michener	Smith, Idaho
Crago	Hill	Miller	Snell
Cramton	Himes	Mills	Snyder
Crowther	Hoch	Millsbaugh	Speaks
Curry	Hogan	Mondell	Sprout
Dale	Huck	Moore, Ill.	Stephens
Dallinger	Hukriede	Moore, Ind.	Strong, Kans.
Darrow	Humphrey, Nebr.	Morgan	Strong, Pa.
Dempsey	Husted	Murphy	Summers, Wash.
Dyer	Hutchinson	Nelson, Me.	Swing
Echols	Ireland	Nelson, A. P.	Taylor, Tenn.
Edmonds	Jeffers, Nebr.	Newton, Minn.	Temple
Elliott	Johnson, S. Dak.	Norton	Tilson

Timberlake  
Tinker  
Tinkham  
Underhill  
Vaile

Vestal  
Volk  
Volstead  
Walters  
Ward, N. Y.

Watson  
Webster  
Williams, Ill.  
Williamson  
Winslow

Wood, Ind.  
Wurzbach  
Wyant  
Yates  
Young

## NAYS—110.

Abernethy  
Almon  
Aswell  
Bankhead  
Beck  
Bland, Va.  
Blanton  
Boies  
Bowling  
Box  
Briggs  
Browne, Wis.  
Buchanan  
Bulwinkle  
Byrnes, S. C.  
Cantrill  
Carew  
Carter  
Clague  
Cockran  
Collier  
Collins  
Connally, Tex.  
Crisp  
Davis, Tenn.  
Deal  
Dickinson  
Dominick

Doughton  
Dowell  
Drewry  
Driver  
Favrot  
Fields  
Fisher  
Frear  
Fulmer  
Garner  
Garrett, Tenn.  
Gilbert  
Goldsborough  
Hammer  
Harrison  
Hayden  
Hooker  
Huddleston  
Hull  
James  
Jeffers, Ala.  
Jones, Tex.  
Keller  
Kincheloe  
Kopp  
Kunz  
Lampert  
Lanham

Lankford  
Larsen, Ga.  
Lazaro  
Lee, Ga.  
Linthicum  
Logan  
London  
Lowrey  
Lyon  
McClintic  
Mansfield  
Martin  
Montague  
Moore, Va.  
Nelson, J. M.  
O'Brien  
Oldfield  
Oliver  
Park, Ga.  
Parks, Ark.  
Pou  
Quin  
Rainey, Ala.  
Raker  
Rankin  
Rayburn  
Rouse  
Rucker

Sabath  
Sanders, Tex.  
Sandlin  
Sears  
Sinclair  
Sisson  
Smithwick  
Steagall  
Stedman  
Stevenson  
Summers, Tex.  
Tague  
Ten Eyck  
Tillman  
Townner  
Tucker  
Turner  
Tyson  
Upshaw  
Vinson  
Voigt  
Wilson  
Wingo  
Wise  
Woods, Va.  
Wright

## NOT VOTING—121.

Ansorge  
Barbour  
Barkley  
Bell  
Bird  
Black  
Blakeney  
Bland, Ind.  
Brand  
Brennan  
Brooks, Ill.  
Brown, Tenn.  
Burke  
Burroughs  
Burton  
Byrns, Tenn.  
Cable  
Chandler, N. Y.  
Chandler, Okla.  
Clark, Fla.  
Clason  
Clouse  
Codd  
Colton  
Copley  
Cullen  
Davis, Minn.  
Denison  
Drane  
Dunbar  
Dunn

Dupré  
Focht  
Fordney  
Free  
Freeman  
Gahn  
Gallivan  
Garrett, Tex.  
Gould  
Griffin  
Hardy, Colo.  
Hardy, Tex.  
Hawes  
Henry  
Herrick  
Hudspeth  
Humphreys, Miss.  
Jacoway  
Johnson, Ky.  
Johnson, Miss.  
Jones, Pa.  
Kelley, Mich.  
Kendall  
Kennedy  
Kless  
Kindred  
King  
Kitchin  
Klecicka  
Knight  
Kreider

Schall  
Scott, Tenn.  
Shaw  
Smith, Mich.  
Stafford  
Steenerson  
Stiness  
Stoll  
Sullivan  
Swank  
Sweet  
Taylor, Ark.  
Taylor, Colo.  
Taylor, N. J.  
Thomas  
Thompson  
Treadway  
Vare  
Ward, N. C.  
Wason  
Weaver  
Wheeler  
White, Kans.  
White, Me.  
Williams, Tex.  
Woodruff  
Woodyard  
Zihlman

So the resolution was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. Dunbar (for) with Mr. Brand (against).  
Mr. Kiess (for) with Mr. Williams of Texas (against).  
Mr. Purnell (for) with Mr. Black (against).  
Mr. Burton (for) with Mr. Taylor of Colorado (against).  
Mr. Morin (for) with Mr. McKenzie (against).  
Mr. Vare (for) with Mr. Kitchin (against).  
Mr. Focht (for) with Mr. Byrns of Tennessee (against).  
Mr. Woodruff (for) with Mr. Bell (against).  
Mr. Olpp (for) with Mr. Weaver (against).  
Mr. Kreider (for) with Mr. Garrett of Texas (against).  
Mr. Bland of Indiana (for) with Mr. Gallivan (against).  
Mr. Gahn (for) with Mr. Ward of North Carolina (against).  
Mr. Free (for) with Mr. McSwain (against).  
Mr. Taylor of New Jersey (for) with Mr. Thomas (against).  
Mr. Cable (for) with Mr. Rainey of Illinois (against).  
Mr. White of Kansas (for) with Mr. Jacoway (against).  
Mr. Rhodes (for) with Mr. Barkley (against).  
Mr. Newton of Missouri (for) with Mr. Hudspeth (against).  
Until further notice:

Mr. Porter with Mr. Riordan.  
Mr. Zihlman with Mr. Clark of Florida.  
Mr. Moore of Ohio with Mr. Swank.  
Mr. Hardy of Colorado with Mr. Hawes.  
Mr. Barbour with Mr. Cullen.  
Mr. Mott with Mr. Hardy of Texas.  
Mr. Luce with Mr. Sullivan.  
Mr. Denison with Mr. Dupré.  
Mr. Kendall with Mr. Griffin.  
Mr. Michaelson with Mr. Johnson of Mississippi.  
Mr. Treadway with Mr. Drane.

Mr. Rosenbloom with Mr. Mead.  
 Mr. King with Mr. Humphreys of Mississippi.  
 Mr. Davis of Minnesota with Mr. Stoll.  
 Mr. Mudd with Mr. Kindred.  
 Mr. White of Maine with Mr. Johnson of Kentucky.  
 Mr. Thompson with Mr. Overstreet.  
 Mr. Osborne with Mr. Taylor of Arkansas.  
 The result of the vote was announced as above recorded.

#### BLINDED, ARMLESS, AND LEGLESS VETERANS.

Mr. FISH. Mr. Speaker, I call up from the Speaker's table the bill (H. R. 8062) amending subdivision 5a of section 302 of the war risk insurance act, with Senate amendments thereto, and move to concur in the Senate amendments.

The SPEAKER. The gentleman from New York calls up the bill H. R. 8062, on the Speaker's table, with Senate amendments, and moves to concur in the Senate amendments. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments.

The SPEAKER. The question is on agreeing to the Senate amendments.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield for a question?

Mr. FISH. Yes.

Mr. GARRETT of Tennessee. Will the gentleman please give us a brief statement of what the Senate amendments are?

Mr. FISH. The original bill called for an increase in pay from \$20 to \$50 per month for the nurses and attendants of the blinded, armless, and legless veterans, and other totally disabled veterans of the World War. The Senate amendment simply strikes out the words "all other totally disabled veterans" and leaves the bill to apply to the blinded, legless, and armless, who number about 300. I am willing to concur with the Senate amendment, although I would prefer the more comprehensive terms of the original bill.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. BLANTON. There was one amendment which the Clerk read that strikes out \$50 and inserts \$20, as I understood it. To what does that relate?

Mr. FISH. That must be an error in reading.

Mr. BLANTON. The Clerk read such an amendment.

Mr. FISH. Mr. Speaker, there seems to be some misunderstanding with respect to this matter, and I shall withdraw my request until to-morrow.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. KLECZKA, until Friday, on account of death in family.

#### WITHDRAWAL OF PAPERS.

By unanimous consent, leave was granted to Mr. TIMBERLAKE to withdraw from the files of the House, without leaving copies, papers in the case of Mr. Smith Gee, H. R. 2963, Sixty-fourth Congress, first session, no adverse report having been made thereon.

#### ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 2 o'clock and 54 minutes p. m.) the House adjourned until to-morrow, Thursday, November 23, 1922, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

705. A letter from the Secretary of the Navy, transmitting statement showing the amount of pay and allowances by ranks and ratings for officers and enlisted men of the Navy; to the Committee on Expenditures in the Navy Department.

706. A letter from the Acting Secretary of War, transmitting a draft of a bill for the relief of the Turner Construction Co., of New York City; to the Committee on Claims.

707. A letter from the Secretary of War, transmitting reports of certain named bureaus and offices showing the exchanges during the fiscal year 1922 for labor-saving devices and report of the Chief of Engineers showing exchanges that were made during that year for all the districts of the Engineer Department at large; to the Committee on Appropriations.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 12862) to pension soldiers and sailors of the World War, and the same was referred to the Committee on Interstate and Foreign Commerce.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SPROUL: A bill (H. R. 12892) granting the consent of Congress to the State of Illinois, the county of Cook, or the city of Chicago, separately or jointly, their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Little Calumet River, in the State of Illinois; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON of New Jersey: A bill (H. R. 12893) providing for the purchase of a site and the erection of a public building thereon at Gloucester City, N. J., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. PARKS of Arkansas: A bill (H. R. 12894) for the purchase of a site and the erection of a public building at Magnolia, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. LAMPERT: A bill (H. R. 12895) providing for the purchase of a site and the erection thereon of a public building at Menasha, Wis.; to the Committee on Public Buildings and Grounds.

By Mr. JOHNSON of South Dakota: A bill (H. R. 12896) to provide adjusted compensation for veterans of the World War, and for other purposes; to the Committee on Ways and Means.

By Mr. COOPER of Wisconsin: A bill (H. R. 12897) to provide for the erection of a Federal building on the site owned by the Government of the United States and located in the city of Racine, State of Wisconsin, and for other purposes; to the Committee on Public Buildings and Grounds.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONNOLLY of Pennsylvania: A bill (H. R. 12898) granting a pension to Sarah C. Ubil; to the Committee on Pensions.

Also, a bill (H. R. 12899) for the relief of Catherine Woods; to the Committee on Naval Affairs.

By Mr. COOPER of Wisconsin: A bill (H. R. 12900) granting a pension to Henry F. Clement; to the Committee on Invalid Pensions.

By Mr. ELLIOTT: A bill (H. R. 12901) granting an increase of pension to Hulda J. Gilmore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12902) granting an increase of pension to Cynthia R. Hess; to the Committee on Invalid Pensions.

By Mr. FESS: A bill (H. R. 12903) granting a pension to William Kirk; to the Committee on Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 12904) granting an increase of pension to Dorrance Shomo; to the Committee on Invalid Pensions.

By Mr. HIMES: A bill (H. R. 12905) granting a pension to Catharine Crawford; to the Committee on Invalid Pensions.

By Mr. HENRY: A bill (H. R. 12906) granting a pension to Delnora Deuel; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 12907) granting a pension to Carrie M. Allison; to the Committee on Invalid Pensions.

By Mr. IRELAND: A bill (H. R. 12908) granting a pension to Charlotte E. Rockhold; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12909) granting a pension to Ann Katherine Kindred; to the Committee on Invalid Pensions.

By Mr. KELLEY of Michigan: A bill (H. R. 12910) granting a pension to Martha White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12911) granting a pension to Mary A. Parsons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12912) to correct the military record of George W. Kelly; to the Committee on Military Affairs.

By Mr. KLINE of Pennsylvania: A bill (H. R. 12913) granting a pension to Mary Irvin; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 12914) granting a pension to Cora E. La Page; to the Committee on Invalid Pensions.

By Mr. LAMPERT: A bill (H. R. 12915) for the examination and survey of Highcliff Harbor, Lake Winnebago, Wis.; to the Committee on Rivers and Harbors.

By Mr. LAWRENCE: A bill (H. R. 12916) granting a pension to James C. Mooney; to the Committee on Invalid Pensions.

By Mr. McPHERSON: A bill (H. R. 12917) granting a pension to Mary A. Hatton; to the Committee on Invalid Pensions.

By Mr. MAGEE: A bill (H. R. 12918) granting a pension to Mary E. Wood; to the Committee on Invalid Pensions.

By Mr. MONDELL: A bill (H. R. 12919) granting a pension to William G. Glasgow; to the Committee on Pensions.



Also, a bill (H. R. 12920) granting a pension to Harry E. Thompson; to the Committee on Pensions.

By Mr. PARK of Georgia: A bill (H. R. 12921) for the relief of the Georgia, Florida & Alabama Railway Co.; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 12922) granting an increase of pension to Martha Crawford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12923) granting a pension to Frances E. Griffin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12924) granting a pension to Agnes Smith; to the Committee on Pensions.

Also, a bill (H. R. 12925) granting an increase of pension to Thomas Hall; to the Committee on Pensions.

Also, a bill (H. R. 12926) granting an increase of pension to James G. Shockley; to the Committee on Pensions.

Also, a bill (H. R. 12927) granting an increase of pension to John T. Hyder; to the Committee on Pensions.

Also, a bill (H. R. 12928) granting an increase of pension to John E. Crum; to the Committee on Pensions.

By Mr. RODENBERG: A bill (H. R. 12929) for the relief of Harry Evans Nowland; to the Committee on Claims.

Also, a bill (H. R. 12930) for the relief of Chesley P. Key; to the Committee on Claims.

By Mr. SCHALL: A bill (H. R. 12931) granting a pension to Cora F. Marlette; to the Committee on Invalid Pensions.

By Mr. LAMPERT: A bill (H. R. 12932) granting a pension to Theresa Gerughty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12933) granting a pension to Nancy J. Cady; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12934) granting a pension to Julia A. Kelsey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12935) granting an increase of pension to Natalia Allen; to the Committee on Invalid Pensions.

By Mr. SCHALL: A bill (H. R. 12936) granting an increase of pension to James P. Aney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12937) granting a pension to Isabel Newton; to the Committee on Pensions.

Also, a bill (H. R. 12938) granting a pension to Simon H. Drum; to the Committee on Pensions.

By Mr. SHREVE: A bill (H. R. 12939) granting a pension to Mary A. Hird; to the Committee on Pensions.

Also, a bill (H. R. 12940) granting a pension to Sophia Hubbard; to the Committee on Pensions.

Also, a bill (H. R. 12941) granting a pension to John H. Boyd; to the Committee on Pensions.

By Mr. SNELL: A bill (H. R. 12942) granting an increase of pension to Ellen E. Johnson; to the Committee on Invalid Pensions.

By Mr. TINKHAM: A bill (H. R. 12943) for the relief of James L. Dalton; to the Committee on Claims.

Also, a bill (H. R. 12944) for the relief of James H. Lomasney; to the Committee on Claims.

Also, a bill (H. R. 12945) for the relief of John J. Corcoran; to the Committee on Claims.

Also, a bill (H. R. 12946) granting a pension to William Smallwood; to the Committee on Pensions.

By Mr. VAILE: A bill (H. R. 12947) granting a pension to Charles H. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12948) granting an increase of pension to Richard C. Kimbrough; to the Committee on Pensions.

By Mr. WATSON: A bill (H. R. 12949) granting a pension to Clara H. Farnsworth; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 12950) granting an increase of pension to Charles Arthur Bordeaux; to the Committee on Pensions.

Also, a bill (H. R. 12951) granting an increase of pension to Patrick A. Galvin; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6428. By Mr. CONNOLLY of Pennsylvania: Evidence in support of House bill 12898, granting a pension to Sarah C. Ubil; to the Committee on Pensions.

6429. By Mr. CRISP: Petition of sundry citizens of the State of Georgia, urging the repeal of discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6430. By Mr. KELLEY of Michigan: Resolution of First Baptist Church of Mount Morris, Mich., indorsing proposed constitutional amendment to prohibit sectarian appropriations; to the Committee on the Judiciary.

6431. By Mr. KISSEL: Petition of the American Legion national legislative committee, Washington, D. C., favoring ad-

justed compensation for ex-service men; to the Committee on Ways and Means.

6432. By Mr. RAKER: Petition of Miss Minnie Provis, of Sutter Creek, Calif., urging support of the Bursum pension bill; to the Committee on Invalid Pensions.

6433. Also, petition of Roy M. Marks, of Placerville, Calif., relative to the transportation question; to the Committee on Interstate and Foreign Commerce.

6434. Also, petition of the General Federation of Women's Clubs committee on Indian welfare, Riverside, Calif., relative to Senate bill 3855; to the Committee on the Public Lands.

6435. Also, petition of the Cannerymen's League of California, San Francisco, Calif., urging Federal action toward the protection of the lower Mississippi Valley; to the Committee on Rivers and Harbors.

6436. Also, petition of Oakland Chamber of Commerce, Oakland, Calif., urging an appropriation for improving San Francisco Bay; to the Committee on Appropriations.

6437. Also, petition of Bakersfield Civic Commercial Association, Bakersfield, Calif., indorsing the Britten-Ladd metric standards bill; to the Committee on Coinage, Weights, and Measures.

6438. Also, petition of the American Legion national legislative committee, Washington, D. C., urging support of the American Legion plan for adjusted compensation; to the Committee on Ways and Means.

6439. Also, petitions of Robert L. Hanley, commander of Victory Post, American Legion, Los Angeles, Calif., urging support of Senator King's resolution to investigate the Veterans' Bureau; Bakersfield Civic Commercial Association, Bakersfield, Calif., indorsing the Capper-French truth in fabric bill; to the Committee on Interstate and Foreign Commerce.

6440. Also, petitions of the Garden Club of America, California zone, and the Friday Morning Club of Los Angeles, Calif., against the passage of the "all year national park bill"; also petition of East San Diego Chamber of Commerce, East San Diego, Calif., urging support of the development of the lower Colorado Basin; also petition of Selma Chamber of Commerce, Selma, Calif., urging support of the Barbour bill, creating the Roosevelt-Sequoia National Park; to the Committee on the Public Lands.

6441. By Mr. MURPHY: Memorial of Martins Ferry Woman's Club, Martins Ferry, Ohio, favoring freedom for Christian people of eastern Europe; to the Committee on Foreign Affairs.

6442. Also, petition of Presbyterian, United Presbyterian, Methodist Episcopal, Reformed Church of Christ, and Lutheran Churches, in Carrollton, Ohio, favoring the passage of House bill 9753, the Sunday law; to the Committee on the District of Columbia.

6443. Also, memorial of members of the Methodist Episcopal Church, Amsterdam, Ohio, favoring independence for the Christian people of the Near East; to the Committee on Foreign Affairs.

6444. Also, petition of Presbyterian and Methodist Episcopal churches at Malvern, Ohio, favoring the passage of House bill 9753, the Sunday law; to the Committee on the District of Columbia.

6445. By Mr. SHREVE: Petition of Gridley Chapter, No. 324, Order of the Eastern Star, Erie, Pa., favoring passage of the Towner-Sterling bill (H. R. 7; S. 1252); to the Committee on Education.

6446. By Mr. STRONG of Pennsylvania: Petition of the First Baptist Church of Kittanning, Pa., indorsing House Joint Resolution 159, proposing a constitutional amendment to prohibit sectarian appropriations; to the Committee on the Judiciary.

6447. Also, petition of East Brady (Pa.) Chapter, No. 311, Order of the Eastern Star, favoring the enactment of the Towner-Sterling bill (H. R. 7; S. 1252); to the Committee on Education.

#### SENATE.

THURSDAY, November 23, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee for the land in which we live, for all its history toward right and truth. We bless Thee for the heritage thus given unto us and ask that righteousness may exalt the Nation, and along the track of the future Thy good pleasure may be realized and the desires of the people be such as shall meet with Thine acceptance. We ask for Christ's sake. Amen.

The VICE PRESIDENT resumed the chair.

WESLEY L. JONES, a Senator from the State of Washington; HENRY L. MYERS, a Senator from the State of Montana; and

OSCAR W. UNDERWOOD, a Senator from the State of Alabama, appeared in their seats to-day.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Second Assistant Secretary of Labor, transmitting, pursuant to law, a list of papers and documents on the files of the Department of Labor which are not needed in the conduct of business and having no permanent value or historic interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. BORAH and Mr. McKELLAR members of the committee on the part of the Senate, and ordered that the Secretary notify the House of Representatives thereof.

#### HARLEM RIVER SHIP CANAL.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in response to Senate resolution 347, agreed to September 9, 1922, information relative to the proposed modification in the channel of the Harlem River Ship Canal, which, with the accompanying papers, was referred to the Committee on Commerce and ordered to be printed.

#### PETITIONS.

The VICE PRESIDENT laid before the Senate the petition of Mrs. Lela A. Frye and sundry other members of Northern Star Sisterhood, No. 107, Dames of Malta, of Charleroi and Monessen, Pa., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted at the Thirteenth Annual Convention, American Manufacturers' Export Association, at New York City, indorsing the constructive policy of President Harding on the subject of the American merchant marine, which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted at the Fifty-second Annual Congress of the American Prison Association, at Detroit, Mich., favoring the passage of House bill 12123, for the establishment of an industrial reformatory at Camp Grant, Ill., which was referred to the Committee on the Judiciary.

He also laid before the Senate a communication from the vice chairman of the national legislative committee, the American Legion, transmitting resolutions adopted at the Fourth National Convention of the American Legion, at New Orleans, La., favoring the passage of legislation providing adjusted compensation for ex-service men, which was referred to the Committee on Finance.

Mr. LADD presented the petitions of Henry Kutonen, of New Leipzig, and 9 others; Mrs. A. O. Helmsness, of Wildrose, and 9 others; W. A. Bartosh, of Kensal, and 6 others; C. J. Bliss, of Geneseo, and 3 others; Joseph Hillman, of Glen Ullin, and 9 others; Ivan Kjustad, of Watford City, and 27 others; M. McWethy, of Sutton, and 24 others; Andrew Halberson, of Williston, and 4 others; P. N. Stedje, of Bucyrus, and 8 others; Charles Brandt, of La Moure, and 2 others; Mrs. H. G. Soderling, of Bierman, and 40 others; William Oeffner, of Leeds, and 8 others; E. C. Keuger, of Linton, and 19 others; Edmond Florentin, of Rolette, and 27 others; C. J. Miller, of Glen Ullin, and 9 others; Ehtobold Kirchenmann, of Burnstad, and 8 others; Ole C. Melland, of Lima, and 46 others; John Quam, of Pekin, and 9 others; A. A. Hagen, of Alamo, and 22 others; and H. G. Haga, of Bergen, and 7 others, all in the State of North Dakota, praying for the enactment of legislation stabilizing the price of wheat, which were referred to the Committee on Agriculture and Forestry.

Mr. EDGE. I ask unanimous consent to have inserted in the RECORD a telegram from the Real Estate Board of New Jersey favoring the passage of the ship subsidy bill. I also ask that it be referred to the Committee on Commerce.

There being no objection, the telegram was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

[Western Union telegram.]

JERSEY CITY, N. J., November 22, 1922.

Senator WALTER E. EDGE,  
United States Senate, Washington, D. C.:

By the officers and board of governors of the Real Estate League of New Jersey, at their regular monthly session, held at the Elks' Club,

in Paterson, N. J., November 22, 1922, it was resolved and unanimously carried that the ship subsidy bill be passed and become a law, believing it to be in the best interests of our Nation.

RAYMOND CONNOLLY, President.

#### ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on November 22, 1922, there was presented to the President of the the United States the enrolled bill (S. 3300) granting a pension to Marie Doughty Gorgas.

#### BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRANDEGEE:

A bill (S. 4054) for the relief of the Home for the Friendless, of Chicago, Ill.; the Silas Bronson Library, of Waterbury, Conn.; the Gettysburg College (formerly Pennsylvania College), of Gettysburg, Pa.; the Presbyterian Church of Bardstown, Ky.; and the Taylor Orphan Asylum, of Racine, Wis. (with accompanying papers); to the Committee on Claims.

By Mr. McCUMBER:

A bill (S. 4055) to provide for the purchase of additional land for Wahpeton Indian School; to the Committee on Appropriations.

A bill (S. 4056) for the relief of the estates of Aaron Van Camp and Virginius P. Chapin;

A bill (S. 4057) for the relief of W. J. Benfield (with accompanying papers); and

A bill (S. 4058) for the relief of Albert Andrews (with accompanying papers); to the Committee on Claims.

By Mr. CUMMINS:

A bill (S. 4059) granting a pension to Oscar Criswell (with accompanying papers); to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 4060) for the relief of Susan T. Smoke; to the Committee on Claims.

By Mr. WALSH of Montana:

A bill (S. 4061) authorizing the Secretary of the Interior to enter into an agreement with Toole County irrigation district, of Shelby, Mont., and the Cut Bank irrigation district, of Cut Bank, Mont., for the settlement of the extent of the priority to the waters of Two Medicine, Cut Bank, and Badger Creeks, of the Indians of the Blackfeet Indian Reservation; to the Committee on Indian Affairs.

By Mr. BALL:

A bill (S. 4062) providing for the comprehensive development of the park and playground system of the National Capital; to the Committee on the District of Columbia.

By Mr. CAPPER:

A bill (S. 4063) to provide credit facilities for the agricultural and live-stock industries of the United States; to amend the Federal reserve act; to amend the Federal farm loan act; to extend and stabilize the market for United States bonds and other securities; to provide fiscal agents for the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. BALL:

A joint resolution (S. J. Res. 247) providing funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 5, 6, and 7, 1923, and for other purposes; to the Committee on the District of Columbia.

#### COMPENSATION AND MILEAGE OF SENATOR FELTON, OF GEORGIA.

Mr. WALSH of Montana. Mr. President, there was introduced on yesterday by the senior Senator from Georgia [Mr. HARRIS] a Senate resolution reading as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the contingent fund of the Senate to Rebecca Latimer Felton \$287.07 for compensation, and \$280 as mileage, the same being amounts due her as a Senator from the State of Georgia from November 8 to November 21, 1922.

The resolution was appropriately referred to the Committee to Audit and Control the Contingent Expenses of the Senate. I hope, however, that the resolution will not be adopted by the Senate. I trust that we shall not throw further confusion into the matter by now exhibiting some doubt as to whether Mrs. Felton was really a Member of the Senate from November 8 to November 21. If she were a Member—and the Senate so decided by admitting her and swearing her in—she is to be paid out of the regular appropriation, just the same as is every other Senator to be paid his salary. This is not a matter which should be charged against the contingent fund of the Senate at all. If the appropriations do not cover the item, it



will be very proper for the Committee on Appropriations to bring in a deficiency item in the deficiency bill to take care of it. The payment should be made as the payment of the salaries of all Senators is made, not out of the contingent fund of the Senate, but out of the regular fund.

It occurs to me that the manner proposed in the resolution is not the proper way to take care of this particular item. I feel like saying that it would throw a very grave doubt upon the action taken by the Senate in seating Mrs. Felton as a Senator.

Mr. HARRIS. Mr. President, I desire to say that I introduced the resolution at the suggestion of the financial clerk of the Senate. Of course if he will pay the amount due Mrs. Felton without the passage of a resolution by the Senate authorizing it to be done, I shall be delighted, and I trust that this may be done and thus avoid the necessity of pressing the resolution.

#### LIBERIAN LOAN.

The VICE PRESIDENT. Morning business is closed.

Mr. CURTIS. I ask unanimous consent that the unfinished business be laid before the Senate and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Fletcher	McKellar	Shortridge
Bayard	France	McKinley	Simmons
Borah	George	McNary	Smith
Brandeggee	Glass	Myers	Smoot
Broussard	Hale	Nelson	Spencer
Calder	Harrell	Nicholson	Stanfield
Cameron	Harris	Norris	Sterling
Capper	Heflin	Overman	Sutherland
Caraway	Hitchcock	Owen	Swanson
Colt	Jones, Wash.	Page	Trammell
Culberson	Kellogg	Pittman	Underwood
Cummins	Keyes	Pomerene	Wadsworth
Curtis	Ladd	Ransdell	Walsh, Mont.
Dial	La Follette	Rawson	Warren
Edge	Lodge	Reed, Pa.	Weller
Ernst	McCumber	Sheppard	Willis

The VICE PRESIDENT. Sixty-four Senators have answered to their names. A quorum is present. The Secretary will state the pending question.

The ASSISTANT SECRETARY. The pending question is on the amendment proposed by the Senator from Mississippi [Mr. HARRISON].

Mr. CURTIS. Mr. President, when we adjourned last night it was with the understanding that the Senator from Mississippi would prepare a substitute for the amendment which he had previously proposed. The Senator has not yet arrived this morning, and I do not feel that we should go on with his amendment until he is present to offer the substitute for it which he desires to present.

Mr. HARRISON entered the Chamber.

Mr. CURTIS. The Senator from Mississippi is now here.

Mr. HARRISON. Mr. President, I withdraw the amendment which I have heretofore proposed to the pending joint resolution, and move the amendment which I send to the Secretary's desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Mississippi will be stated.

The ASSISTANT SECRETARY. At the end of the joint resolution it is proposed to insert:

To carry out the provisions of the act of February 17, 1911, "to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," as amended, as follows:

"For salaries of 35 additional inspectors whose employment is hereby authorized for nine months, at the rate of \$3,000 per annum each, \$78,750; for per diem in lieu of subsistence for said inspectors for nine months, \$37,800; for transportation for said inspectors for nine months, \$37,800; for allowances to said inspectors for nine months, \$15,750; in all, fiscal year 1923, \$170,100."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

Mr. DIAL. Mr. President, I trust the amendment proposed by the Senator from Mississippi will not be adopted. We have already encumbered commerce with enough expense. I am opposed to increasing the number of officers beyond the necessary number for the transaction of any kind of business. Besides that, it does seem to me that the railroads should certainly have sufficient discretion to see that their rolling stock is maintained in proper condition. We need, rather, to decrease the cost of transportation instead of increasing the burdens and taxes of

the people of the country. If we are ever going to stop piling up taxes, now is a good time to begin.

I think our Republican friends should take warning by what has just transpired, and that they should carry out some of the pledges of economy which they made to the people of the country. I am tired of business being tied down and impeded by so much governmental regulation. It seems to me that the railroads of the country, having operated for so many years, can certainly continue to do so without the additional burden which would be imposed upon them by the adoption of the amendment and the interference with their engines and other instrumentalities for the carrying of freight and passengers.

What we most need now is a reduction in freight rates and in passenger rates and not something which is going to increase our burdens and expenses by tying the hands of railroad officials. Indeed, transportation charges have become so high that one can hardly afford to ride on a railroad, and our products are rotting in the field at this time because of the high transportation costs. The cost of living is constantly increasing. It seems to me that we have reached a time when Congress should cease the creation of new positions. No doubt such places are created at the Government's expense for favorites who can not or will not make a living at private work. I refuse to take suggestions from the Interstate Commerce Commission or any other Washington body to create useless positions. I would much prefer the judgment of the engineer, who knows and operates his engine, than that of some theorist. We need common sense in business. This is another step tending toward Government ownership, which I am totally against.

Mr. CUMMINS. Mr. President, I am not the author of the pending amendment, but the amendment is an extract from a bill which I introduced some time ago, and I am very much in favor of its adoption.

I understand perfectly that the cost of government increases every year; that is inevitable. The history of this particular legislation may be very briefly stated. A few years ago Congress passed a law authorizing the inspection of locomotive boilers by a number of Federal inspectors. That was done in order to preserve the lives of those who travel upon railroad trains and also to preserve the property which was being transported. The outcome of that initial legislation was very gratifying. It was soon discovered that the railroad companies had not efficiently inspected and resolutely put aside the facilities that were unfit for use, and there were a great many lives saved and a great deal of property preserved by the original law.

The railroad companies were very much opposed—

Mr. DIAL. Mr. President—

Mr. CUMMINS. I will yield to the Senator in a moment. The railroad companies were very much opposed to the original enactment, but when, two years or two years and a half later, we came to expand the operation of the law so that it would embrace the supervision and inspection of the entire engine the railroad companies very frankly admitted that the service rendered had been invaluable and did not oppose the extension of the service to include the entire engine. I now yield to the Senator from South Carolina.

Mr. DIAL. Mr. President, I should like to ask the Senator how he can demonstrate that a great many lives were saved and a great deal of property preserved by reason of the enactment of the law to which he has referred?

Mr. CUMMINS. Does the Senator doubt that?

Mr. DIAL. Yes; I seriously doubt it. I do not see how it can be proved.

Mr. CUMMINS. I can only refer the Senator to the testimony of those who had to do with the operation of engines and to the comparison between the periods before and after the law was passed in order to establish the fact. I do not think that any railway employee or any railway manager will question the statement which I have just made.

The bill from which the amendment is taken was brought forward at the suggestion of the locomotive engineers and firemen, who are most directly involved in any accident which may occur to the boiler or to other parts of the engine.

Mr. MCKELLAR. Mr. President—

Mr. CUMMINS. I yield to the Senator from Tennessee.

Mr. MCKELLAR. Mr. President, I notice that for the salaries of inspectors there is provided an appropriation of \$78,750, and then, in addition, a per diem, for which an appropriation of \$37,800 is made; for transportation, \$37,800, and for allowances, \$15,750, a total of \$91,350 for allowances of various kinds, as against \$78,750 for salaries. I should like to ask the Senator would it not be entirely proper, inasmuch as the inspectors are inspecting property of the railroads, to require the railroads to give them their transportation? I should also like to have the Senator state, as I believe the amendment is taken from a bill

introduced by him, what reason there is for the other allowances.

Mr. CUMMINS. Mr. President, answering the first question, I am opposed to compelling the railroad companies to furnish transportation to any Government employee. There ought to be a complete separation between the railroad companies and these governmental inspectors. If we require the railroad companies to furnish transportation, we in a measure link up the employee of the Government with the corporation, and, in my judgment, diminish to a degree the efficiency and the fidelity of the Government inspectors. That is the reason why there is a provision for transportation.

Mr. McKELLAR. I can see considerable force in that suggestion. I should now like to ask the Senator with regard to the allowances.

Mr. CUMMINS. We have now 50 inspectors. The country is divided into 50 inspection districts, and there is one inspector for each district. Under the present law each inspector is allowed \$600 per year for his assistant or his stenographer or his helper, whoever he or she may be, and allowance includes, as I remember, the rent of the office in which the inspector is housed. Under the present scale of cost of buildings and rents and living, that allowance, in my opinion, is very inadequate, and it is proposed to be enlarged in order to meet the changed conditions of the present time as compared with the conditions when the law was originally passed.

I do not think there is anyone connected with the administration of the railroad law who does not recommend this legislation, who does not understand its necessity if we are to have efficient and constant inspection of locomotive engines, and I think it is due to the men who ride on the engines and drive them and the men who assist the engineers in the operation of the engines that they shall be protected just as far as the Government can protect them against imperfect and out-of-order engines.

I did not dream that this question would arise at this time, but if I had time to accumulate the evidence which has been taken before the committee of which I am chairman, in respect to the work which these inspectors have done, the number of engines which they have ordered out of service because they were imperfect, and, presumably, the number of accidents which have been averted, I believe the Senate would have no doubt whatsoever about the wisdom of this appropriation and this authority. If we are going to have an efficient constant transportation machine that will do its business with the fewest accidents and the least destruction of property, the amount of money that is here proposed to be appropriated can not be expended in a better way than to authorize these new inspectors and to increase the allowances for their expenses.

#### FRANCE AND GERMANY.

Mr. HITCHCOCK. Mr. President, we seem to be discussing a number of subjects that are foreign to the pending joint resolution, and I may be excused, therefore, for bringing in something which is also more or less foreign to it.

During the last few days America has been honored by a visit from a very distinguished French statesman. Clemenceau, the former prime minister of France, is in this country for the avowed purpose of setting before the American people certain criticisms of the policy of the United States, and in his opening speech he has expressed a willingness to exchange criticisms. It seems to me that this may be a good method to follow.

The great Frenchman who visits this country enjoys a wide popularity. My purpose in rising is not so much to criticize him but to state some of the widespread American criticisms of the present policy of his country.

If France were sending to this country a representative to plead with the American people for cooperation at this time, I think it would have been possible to select a man more appropriate for that service. While Clemenceau has not been known as an extreme militarist as compared with Poincaré and some other Frenchmen he has established the reputation, in the conference for the peace treaty at Paris, of representing an extremely harsh policy toward Germany.

In his work on the Wreck of Europe, Nitti, the Italian statesman, frequently discusses Clemenceau. While I think at times he holds him too much responsible for French policy, I am going to insert without comment this extract from his book concerning the great Frenchman.

In his book *The Wreck of Europe*, on page 110, Nitti says:

All his life Clemenceau has been a tremendous destroyer. For years and years he has done nothing but overthrow governments with a sort of obstinate ferocity. He was an old man when he was called to lead the country, but he brought with him all his fighting spirit. No one detests the church and detests socialism more than he; both

of these moral forces are equally repulsive to his individualistic spirit. I do not think there is any man among the politicians I have known who is more individualistic than Clemenceau, who remains to-day the man of the old democracy. In time of war no one was better fitted than he to lead a fighting ministry, fighting at home, fighting abroad, with the same feeling, the same passion. When there was one thing only necessary in order to beat the enemy, never to falter in hatred, never to doubt the sureness of victory, no one was comparable to him, no one could be more determined, no one more bitter. But when war was over, when it was peace that had to be insured, no one could be less fitted for the work. He saw nothing beyond his hatred for Germany, the necessity for destroying the enemy, sweeping away every bit of his activity, bringing him into subjection. On account of his age he could not visualize the problems of the future; he could only see one thing necessary, and that was immediate, to destroy the enemy and either destroy or confiscate all his means of development. He was not nationalist or imperialist, like his collaborators, but before all, and above all, one idea lived in him, hatred for Germany. To render her barren, to deprive her of her supports, to destroy her—this was the consummation of the war which was proposed in the treaty of peace, and he and the financiers who surrounded him were the true artificers of the treaty of Versailles and of the policy which is still in force.

That was the judgment of the former prime minister of Italy with regard to this great statesman who has now come to plead with the United States for cooperation in present conditions; and the same author quotes in several places that statement of Clemenceau in the Chamber of Deputies in which he declared, in defending his course, that—

The treaties are a method of continuing the war.

So, Mr. President, I deprecate somewhat the character of this messenger who has come from France to ask the United States to cooperate with France in peace; and yet Clemenceau is mild in his attitude toward Germany compared with the present governing authorities of France.

It has been said by our representatives in Paris, particularly by Mr. Baruch in his book, that Clemenceau lost his position and was succeeded by others because it was considered that he had been too mild in his treatment of Germany. I mention this so as to emphasize the fact that the present attitude of France toward Germany is the extremest of the extreme, and that, violent as Clemenceau was in exacting the terms of peace with Germany, he was mild compared with the present Government of France in carrying them out.

So I am not here, Mr. President, to criticize the great French statesman; and what I present is merely a criticism of the present policy of France toward Germany, which it seems to me must be amended before France or any of her representatives can in justice call upon the United States for cooperation.

From this speech which was delivered by Clemenceau in New York the other night I am going to read one or two short extracts; and first let me call attention to this one. He says:

I have some friendly criticisms to bring, and I think it is worthy of you and of me that we exchange them in this most democratic way.

There I find a direct invitation to the American people to exchange the criticisms that we hold on the present French policy with the criticisms which Clemenceau brings upon our policy; and just at this point I may be permitted to say that I myself have been a severe critic of the attitude of the United States in leaving Europe, in forsaking the work of rehabilitation there at the very moment when our great moral force was needed above all other things. I feel that our desertion of that great duty in Europe at that time is now being felt by us in a very material way in the shape of penalties. We discussed the ratification of that treaty almost solely upon the League of Nations, and on this side of the Chamber I think we made the mistake of discussing it almost altogether from the altruistic standpoint; but I believe the time has come when the American people have begun to appreciate the fact that our failure to continue the work which we had started in Europe by helping in the work of getting Europe upon her feet is now being reflected in the United States by a very disastrous depression of business which has been continuing now for two years, and which, in my opinion, is going to continue for a good while yet to come. We have felt the destruction of our foreign markets; we have found, month by month, a constant falling off in our commerce; and the future will attribute that in part to the fact that we have done nothing to assist in the rehabilitation of Europe.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HITCHCOCK. I yield to the Senator.

Mr. BORAH. The Senator from Nebraska seems to agree with M. Clemenceau as to the proposition that the United States departed from Europe before it could in honor do so. M. Clemenceau seems a little nebulous about what the United States would have been expected to do had it remained in Europe. It seems to me, in the intelligent discussion of this



question, where we are practically invited to return to Europe, that there ought to be some degree of accuracy as to what is expected of us. Does the Senator understand that what M. Clemenceau desires is that we shall ratify the Versailles treaty and return to Europe for the purpose of executing it as France is now undertaking to execute it?

Mr. HITCHCOCK. Mr. President, of course, I agree with the Senator from Idaho that the statements by M. Clemenceau are too nebulous and too indefinite to enable one to draw a very direct conclusion; but my purpose in rising to-day is to mention in the RECORD what I believe are insuperable obstacles which will prevent the United States from any cooperation with France toward Germany as long as the present destructive policy is pursued. I am not basing that opinion upon any friendship for Germany. I am not basing that upon any dislike of France. I am putting it solely and only upon the basis that the United States might be glad to cooperate with the rest of the world in bringing about an establishment of real peace. To secure such a peace the dominant power in Europe to-day, France, must abandon the present destructive policy toward Germany. As long as that destructive course is pursued it is useless to discuss the matter before the American people.

Mr. BORAH. Will the Senator permit an interruption?

Mr. HITCHCOCK. Certainly.

Mr. BORAH. The Senator is of the opinion that under the present policy of France we can not very well cooperate with France?

Mr. HITCHCOCK. I am.

Mr. BORAH. When has that policy been different since the signing of the armistice?

Mr. HITCHCOCK. I shall undertake to point that out to the Senator, if he will permit me.

A little later on in his discourse M. Clemenceau used this language:

And now that we have peace, we must preserve peace.

It is a little inconsistent for M. Clemenceau to say that we have peace, when in his utterances in the Chamber of Deputies on several occasions he declared that "the treaty would be a means of continuing the war." But disregarding that, let us look at the methods which are now being adopted by the French Government. Let us see whether they tend to preserve the peace.

In the first place, France, in spite of the declarations of economists in all the countries of the world, continues to demand of Germany reparations that are absolutely impossible. That is the first obstacle. The demand has been of such a character, backed up by such conduct, as to warrant the suspicion, if not the belief, that France would rather have Germany fail in paying her reparations than to have Germany become commercially strong and able to meet reasonable reparations.

I thought I would insert in the RECORD at this time some evidence that Germany has paid all that could have been paid up to the present time. Numerous writers in all countries have stated that no power exists with which to get greater reparations out of Germany than have been paid up to this time, and I think it may be accepted as a fact, admitted by the intelligence of the world, that even if France should take military possession of Germany there would be no power in that occupation to wring out of Germany the reparations in accordance with the demands of France.

We behold in Germany a country at the present time which has lost about 7,000,000 of her population; which has lost 80 per cent of her iron-ore fields; which has lost almost her entire merchant marine; which has lost all of her colonies, and which has lost a large area of her country, so that in agricultural products the loss is even greater, in proportion, than the loss of population. So that at the present time Germany is able to raise only about 70 per cent, or at the most 75 per cent, of the food which her people need. Therefore, in the winter which is now coming Germany is entering upon a period of distress which inevitably will produce insurrection in that country, if not revolution. Only the other day we read in the papers of mobs gathering in the city of Cologne, I think it was, finally suppressed by the police; but that the mobs shouted only, "Hunger, hunger"; and that menace of hunger is coming upon Germany at such a rate that all who are able to get out of the country for this winter are doing so—getting into the countries adjacent thereto.

How is Germany to buy this 25 or 30 per cent of food which her people require to get through the winter? Germany has an export trade which is only half what it was before the war. Her export trade does not exceed her import trade. She can not pay in products because she has not any surplus products to sell. She can not pay in gold because Germany at the pres-

ent time has only \$238,000,000 available in her reserves that are at all identified and known. There may be gold buried in the ground, as there always is in time of war, but the available gold in sight is only \$238,000,000, and Germany can not part with a dollar of that without endangering what remains of her commercial and financial fabric.

To say that a country afflicted like that, and situated as Germany is, producing and having a productive capacity of only about 60 per cent of her productive capacity before the war, could meet these enormous reparations that are demanded by France, is the uttermost nonsense, and all writers on economy and on politics all over the world have conceded the fact. Yet the demand is made insistently and is backed by the threat of military occupation. That is one indication that the policy of France is not calculated for the maintenance of peace but rather for the bringing about of war.

Another thing. Germany is now a republic. Yet what sort of a policy is France adopting? France is adopting the very policy which is likely to drive Germany into the hands of the militarists and the Junker class in Prussia or to drive her, in desperation, into the arms of the Bolsheviks; whereas if France merely desires peace, the policy of France should be to do everything to maintain Germany as a republic, as it is at the present time.

So, I say, the first indication I see that France does not desire peace is this insistent demand for impossible reparations.

Mr. President, saying this, I know full well the need France has for those reparations. I know that the Government of France has indorsed something like a hundred billion francs of indebtedness issued to pay for reparations in the regions of France which need restoration. I know that the French Government has taken that great load upon itself to carry on the restoration in France which she had expected Germany to do. But the fact that she has had to do it instead of getting Germany to do it does not excuse an enlightened government for demanding an impossibility of Germany at this time.

That is not all. The demand of impossible reparations does not strike me as the only evidence that France has not shown any sincere desire for peace with Germany. Let me call the attention of the Senate for the second time to the greatly provocative and disgusting policy of France in maintaining colored soldiers, black troops, along the Rhine, quartered by the thousands in German cities and towns. At the time I spoke on this subject several months ago I did not have before me the language of this book, written by this eminent Italian, and my information concerning the black troops was somewhat limited. Nitti, evidently after an investigation, in referring to the black troops on the Rhine, in several places in his book uses language some of which I will quote at this point. He is citing a number of causes which are leading to the wreck of Europe, and among others he cites this great moral cause:

The moral level of Europe is daily being lowered. The policies pursued toward the conquered have no parallel in modern history. Along the Rhine some of the most progressive cities in the world have been placed under guard of black troops of inferior race, and they are guilty of every form of violence, which they commit not through necessity but with the desire to insult and outrage. The conquered are deprived of their wealth by means of all kinds of parasitism and commissions of control, which in reality often amount to spoliation, and the methods employed bring back to mind the worst phases of the Middle Ages.

Mr. POMERENE. Mr. President, may I ask the Senator as of what date that statement was made?

Mr. HITCHCOCK. This is in the American edition, which appeared in this country in March, 1922. I realize what the Senator probably has in mind—that is, that possibly the black troops have been removed.

Mr. POMERENE. I had in mind that some statement was made on the floor of the Senate to the effect that they had been removed; but I did not remember the date.

Mr. HITCHCOCK. The first inquiry I made on the subject was, I think, nearly two years ago, and at that time I was informed that the black troops had been removed, and there have been newspaper statements since the speech I made in the Senate, and even cablegrams from Europe, to the effect that the black troops had been ordered to Asia Minor, which, if they can not be kept in Africa, is probably the best place for them. But I have learned since that time that that has not been carried out, or at least it has not been carried out fully.

Mr. SPENCER. Mr. President, will the Senator yield to me for a moment on that subject?

Mr. HITCHCOCK. Certainly.

Mr. SPENCER. As a matter of fact, there are black troops on the Rhine to-day, but not of African descent. The Moroccans, the Arabs, are still there in some numbers. The War Department and the State Department both looked into the question of their conduct along the Rhine, to which the Senator so

graphically alluded, and the result of the investigations of both the departments was that the conduct of the black troops was quite as good as the conduct of any body of troops assembled together. Originally there were black troops of African descent, but, with the possible exception of purely negligible clearing-up squads, they have all been relieved, and there are none of them there now. The Arabs are there, but so far as their conduct is concerned it is as good as that of other troops. The head of the foreign department of Germany officially declared some months ago that he regretted exceedingly the propaganda with regard to the conduct of the black troops on the borderland, because it was unfair and it was hurting the incoming guests, or visitors, who naturally would want to see that beautiful part of the Rhine. I think that is the situation to-day.

Mr. HITCHCOCK. If they have been removed, it has been very recently. I will read something on the subject of the different African troops which have been there; but there really can not be any question as to the outrages that have occurred. They are vouched for by Nitti in this work, and they have been vouched for in so many different records that I can not think that they can be disparaged with any success. The matter has been so serious, as has been described, that a number of the towns along the Rhine have been compelled to levy taxes on their people for the purpose of building public houses of prostitution in order to protect their women folks, and an American who was present in several towns and saw the sights said it was disgusting to see the black troops line up there on pay day in the street in front of those houses waiting for their chance to get in.

Such a condition of things as that is unspeakable, and it is something in which civilized people all over the world are interested. It is a matter in which the United States has an interest, because the United States is in part responsible for the army of occupation being there.

On page 236 Nitti says:

And as the final insult to the conquered in the army of occupation backward races are represented. Thus the most cultured cities in Europe have been and are under negro violence which has been guilty of the most serious crimes. The German population has been subjected unnecessarily and, in order to satisfy the desire to offend, to physical and moral trials unknown for centuries in civilized countries. In April of 1921 there were still on the Rhine 14 or 15 colored regiments, 9 to 10 from Algeria, 2 from Tunis, 3 from Morocco, and 1 from Madagascar. There still remain, after the departure of 2 Senegalese regiments, some negro detachments.

They were taken out at one time, and then they were brought back this year. The Senator from Missouri [Mr. SPENCER] need not shake his head at me. I have had correspondence from reliable people in the occupied zone who have seen the troops there, and I have the impression that one reason why the withdrawal of American troops was delayed was because the American officers notified our Government that their places were being taken by black troops this year.

Mr. SPENCER. May I say to the Senator—

Mr. HITCHCOCK. Let me finish this quotation and then I will yield to the Senator.

There still remain, after the departure of two Senegalese regiments, some negro detachments. Documents have shown at length what outrages have been perpetrated by the troops of occupation and what crimes the negroes have committed. Henceforth everybody knows that the occupation has no military aim, but (like the confiscation of the Saar coal and the pretext of enormous indemnities and the splitting up of upper Silesia) only one aim is kept in view: Germany must be forced to the point of moral exhaustion and her unity in sentiment, and indeed even her political unity, broken.

I would like M. Clemenceau to justify before the American people in his next speech the putting or keeping of negro troops or the troops of any inferior race as an army of occupation among a white people. It can not be justified. There is no real reason for it, no military reason for it, and the conclusion is almost inevitable that it is done to goad the German people to violence in order to give an excuse for a military occupation of German territory.

I now yield to the Senator from Missouri.

Mr. SPENCER. I do not wish to enter into any controversy with the Senator, and I do not do so. I sympathize very strongly with his views. The presence of negro troops might be and is exceedingly objectionable, but the troops, when they are seen in assembly, are not negro troops. If the troops were quartered in southern cities they would not bear the faintest trace of negro troops. Their complexion is light. Their conduct is very good. Their speech is not at all African. It is the Moroccan or the Arab. They are educated and a higher class of people. Negro troops are not there. I do not mean to say there may not be a squad here clearing up what is left to be done, or a detachment there, but it is negligible. The troops there now are Arabs or Moroccans. They are not the Senegalese. They are not the African troops.

The War Department made an exhaustive study of the matter and reported clearly that wherever there had been an outrage, as there were, and wherever there was conduct that needed to be punished, and there had been, it had been promptly taken up and the offender had been severely punished, and that discipline among these troops measured well as compared with that of any other troops. I merely state that because I know the Senator from Nebraska wants the facts as much as I do.

Mr. HITCHCOCK. In my former speech on the subject I introduced some statistics which the Senator from Missouri would do well to look up. He made a brief visit to Germany and comes back with a certain impression. It may be that just at the moment there are no negro troops there, but if they are not there it is due to the protest which in this country has been made against them, and it does not do away with the fact that the motive for putting them there has not been explained. Why does a country desiring peace with another country, as Clemenceau says, put such an insult upon her neighbor's people? Why does it incite a violence, as it would by putting these half-civilized troops in a military occupation over white people? Even if they are not there at this moment, that does not do away with the necessity for some explanation to the world as to why they were put there.

Mr. BORAH. I think the Senator has a misunderstanding of what M. Clemenceau means by peace with Germany.

Mr. HITCHCOCK. I am a little afraid the distinguished statesman from France wants us to maintain an armed peace; that he wants us to help France to dismember Germany. I think that is the present policy. I think that is the intention of the French Government. I hardly think it can be the intention of the French people. There must be somewhere a French statesman who will rise and advocate a more reasonable policy. There must be somewhere in France French statesmen who will realize that Germany can not be destroyed as a great factor in the world without breaking other nations down, too, and France among them. The ruin of continental Europe is coming when Germany goes to smash, and, far away as we are, we in the United States have a direct material interest in that catastrophe, if it ever comes.

But now, Mr. President, just take a very recent act of the French Government as indicating the attitude toward the German people. Does it look as though the Government of France desired real peace with the people of Germany when we take into account the monument which was erected on armistice day on the German border? On this last armistice day on the German border a slab was erected bearing this inscription:

Here on the 11th day of November, 1918, succumbed the criminal pride of the German Empire, vanquished by the free people it sought to enslave.

That flaunting of a spirit of hate in the very face of the German people is not calculated to promote real peace. When two great peoples want to have peace with each other they drop the sentiments of hate. So Argentina and Chile did when after their wars they erected by joint action a monument upon the boundary between them. Did they put up any such slab as this, recalling the hate and vindictiveness of the past? No; they erected a bronze statue of the Christ, symbolical of peace on earth and good will toward men. But how can Clemenceau justify the erection of such a slab as that in the very face of the German people at the national boundary line? So I say that if there is a real desire for peace in France and if France wants the United States to assist in maintaining that peace France and Clemenceau will have to explain why these acts are committed which tend to goad people on to continued hate of each other.

In another part of his speech Clemenceau used this language, which sounds very much more like sanity:

Now, I say that after such a war men can not continue to fight each other; they can not fight forever. There are, after all, two Germanys. There is the Germany which is a democratic Germany, which, I think, could, more easily at least, be called to reason.

Now, Mr. President, that is an indication of the statesmanship of to-day. There are two Germanys. There was the old Germany which is dead; at least it has fallen, and it will remain fallen if the German people are permitted to erect their republic on its ruins and to maintain that republic. But how can the German people maintain that republic shackled and crushed as they are by the present attitude of France toward Germany? How can the republic live in the face of its people when it is compelled to submit to insults, when it is compelled to submit to impossible demands, when it is compelled to see 60,000,000 people, prone and helpless, deprived of a chance even to revive their business and put themselves in a possible position to pay the reparations? The attitude of the French Government is such as to destroy all chance of Germany becoming a permanent republic in the world. There are two Germanys, and if the opportunity is given this Germany will be a republic,



as much a republic as France, as much a republic as the United States, but it can not remain a republic, it is bound to be driven into bolshevism or militarism by such policies as are maintained at the present day by the French Government.

In another part of his address M. Clemenceau said that he wants America to resume conversations with Great Britain and France. His language was this:

If America could take upon it some way to renew conversations with England and France, not to give a promise of anything that would engage the future that she had not engaged during the war.

Now, that would be a consummation devoutly to be desired.

Mr. BORAH. Mr. President—

Mr. HITCHCOCK. If the United States should enter into some sort of conversation with the powers of Europe and use her moral force to bring about a real peace and a real rehabilitation, founded upon justice and good will, I think it would be a great duty of the United States to do it. I yield to the Senator from Idaho.

Mr. BORAH. There again M. Clemenceau is studiously obscure, apparently. What does he want the United States to do? What is it that the United States can do under the present policies of France? Of course, the only inference which can be drawn is that the United States is to go to France to enforce the present policies of France. There is no intimation and no suggestion in the distinguished visitor's speech that France proposes to modify or change her policy. There is no suggestion that there is anything going to be done upon the part of France in regard to this situation. France has her policy and seems to be determined upon it, settled in regard to it, and what we are invited to do is to go there and to enforce that policy.

Mr. HITCHCOCK. Mr. President, I agree with what the Senator from Idaho says in that respect, but I think M. Clemenceau, when he invited counter criticism, possibly had in mind the fact that some criticism might be forthcoming as reasons why the present policy of France could not be approved in the United States. I am seeking to afford some of those reasons.

Right on that point let me say that I can not conceive it possible that the United States would be justified in doing the least thing to uphold France in her present policy until she agrees to disarmament. France in that matter has taken a position which has practically stopped any attempt to disarm the nations of the world. She sent her delegates over here to discuss disarmament at the disarmament conference, which was largely a product, I may say here in passing, of the efforts of the Senator from Idaho, but when her delegates came here, while they grudgingly consented to discuss naval disarmament, they absolutely refused to consider military disarmament, and we now learn through the press that France is not going even to ratify that part of the agreement which provides for naval disarmament. Mr. President, the United States can not afford to give any moral support to a country which persists in pursuing a course of militarism and conquest. At the present time France is maintaining an army of 700,000 men, and possibly more—the largest army ever maintained by any nation in time of peace; larger even than the German Army was when Germany was preparing for war. The British Army has been reduced to something like 200,000 troops; our Army in the United States has been reduced to something like 125,000 troops; Germany has been forced to reduce her army to 100,000 troops.

Mr. President, at this point I wish to call attention to the fact, and I wish to call it to the attention of M. Clemenceau himself, that when the treaty of Versailles was adopted there was inserted in Part V of that treaty the following language:

In order to render possible the initiation of a general limitation of the armaments of all nations, Germany undertakes strictly to observe the military, naval, and air clauses which follow.

That is to say, Germany agreed to disarm to the extent of making her forces 100,000 men, and Germany has done it. She was forced to do it, whether she did it willingly or not; but what has France done to carry out that plan? France was morally bound to agree to observe the terms of Part V of the treaty of Versailles. It was for the purpose of enabling her to disarm that Germany was required to disarm. France, however, has not only failed to disarm, but has increased her military establishment above anything ever before known, and has encouraged Poland to maintain an army of several hundred thousand men, Rumania to maintain an army of 160,000 men, Belgium to maintain an army of 113,000 men, and other nations in proportion, while Germany has reduced her army to 100,000 men and is practically helpless to-day. Hungary has reduced her army to 35,000 men; Austria has reduced her army to 21,000 men, and Bulgaria has reduced her army to 23,000 men. So while that part of the treaty of Versailles has been carried out

so far as the defeated nations are concerned, France has utterly refused, and not only refused but has defiantly refused, to do her part toward disarmament. I should like to say to M. Clemenceau that I believe there will be no sentiment in the United States in favor of supporting the French policy until some serious effort shall have been made to carry out the clause of the treaty of Versailles which implied disarmament.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. HITCHCOCK. I yield to the Senator from Virginia.

Mr. GLASS. The Senator from Nebraska is a member of the Committee on Foreign Relations, and I wish to ask him a question for information. We adopted what was known as the four-power treaty some time ago, and the principal plea for its adoption was that it would rid us of the menace of the Anglo-Japanese treaty. Is it not a fact that with the expiration of to-day the Anglo-Japanese treaty again goes into effect for another year, inasmuch as France and Japan have failed to ratify the four-power pact?

Mr. HITCHCOCK. I am unable to answer the Senator's question. I have not had the matter called to my attention and have not examined it; but I think what he has stated is a very interesting contribution, if he is correct.

Mr. GLASS. My information is that with the expiration of to-day the Anglo-Japanese treaty again goes into effect; so the chief reason presented for the adoption of the four-power pact falls to the ground.

Mr. HITCHCOCK. Mr. President, there is another matter which is not of such direct application, perhaps, but yet I think the people of the United States have been a good deal shocked by the disposition of France to back Turkey in the recent wars she has been conducting and which have resulted in the reestablishment of the Turkish Empire in Europe, to continue, as has been continued in times past, that menace to all the neighboring countries. France for some reason saw fit to adopt that policy toward Turkey; and, while that is not involved in the immediate question of her policy toward Germany, I think it is a deplorable fact which the American people, who sympathize with nations which are oppressed by Turkey, resent.

Mr. President, I think I have said about all I care to say in reference to this matter. I do not feel justified in resenting the presence of M. Clemenceau in this country. From his standpoint, no doubt, he comes entirely justified. He feels that he is here on a worthy errand. He is a very old man and a man who has served his country faithfully. He has a right to come here either as a private citizen or an unofficial representative of his country in order to present to the people of the United States the appeal of France for our sympathy and our support; but I think he ought in his addresses in this country to meet the questions which I have to-day presented: Why does his country pursue these policies which are against the peace of Europe, which are obstacles to the peace of Europe, and which in some respects are almost certain to produce further war and further destruction?

Mr. BORAH. Mr. President, in view of the able presentation of the subject I had in mind by the Senator from Nebraska, it is my purpose to discuss it but for a very few minutes. He has correctly stated that our distinguished guest is a very great figure, one of the three or four dominant figures in the world to-day. His age, his distinguished career, and his conceded great ability entitle anything he may say to most courteous and serious consideration.

I have read his address in New York with some degree of care. I must say that it was a little difficult at first reading to gather his views, and it was not much less difficult upon second reading. But some things seem apparent. One gathers from the address as a whole his view that we abandoned Europe before we could honorably do so; secondly, that by reason of such action upon our part we destroyed the economic life or solidarity of Europe; and third, that the present condition of suffering in Europe is due to our failure to discharge our duty toward Europe.

I read a paragraph or two which seem to justify the construction I have placed upon his address. Before leaving Paris in an interview which he gave to the country he said:

I will not touch specific matters, such as interallied debts, but will keep to the main fact, namely, that America has not stood by her allies in peace as she did in war and that she was wrong in quitting.

In his address in New York night before last he said:

You left after the contract was finished and you said "execute it as you may." \* \* \* And you were wrong in that you left without any proposal whatever. \* \* \* You broke all the organs of economic solidarity. \* \* \* You, indeed, showed a touch of economic imperialism when you left us after the war was over directly. You have the best resources in the world.

That is a feature of his address which should not be overlooked.

In New York last night he spoke again before the chamber of commerce, and in that address repeated—

It was the greatest mistake and the source of all the evil that is taking place now.

That is, the mistake was to leave without any proposal of an adjustment of matters. He says:

I want you to interfere in Europe because you left it too soon. I want you to come back.

So it is quite plain that the first message which he brings to us as a people is as to our act of dishonor in abandoning our allies at a time when we could not properly do so. There is an attempt upon his part then to assess all the suffering and misery now prevailing in Europe to that act of dishonor upon the part of the United States.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BORAH. Yes.

Mr. SMOOT. How does the Senator construe the statement just read from M. Clemenceau? Does the Senator think that he meant that we should go back to France with our Army?

Mr. BORAH. I am coming to that.

Mr. SMOOT. Or that he desires us to furnish them more money, to be expended in any way they may desire, to carry on their commerce or otherwise? Will the Senator cover that point later?

Mr. BORAH. In that respect M. Clemenceau is a little indefinite; but I take it that his mind is the same as it was when they were asking us to go into the league—that they would settle what we would do after we joined.

Mr. SMOOT. Of course, so long as France is spending 5,500,000,000 francs a year on her army, when I read the speech I took it that M. Clemenceau desired that we send over 100,000 men to take the place of some of the soldiers who are now being paid by the French Government and relieve France of that expense.

Mr. BORAH. I presume the Senator has the correct construction. It is a pretty serious charge, Mr. President, for a guest—although we are very glad to have him here—to say to the country which he is visiting that the fearful misery and unspeakable conditions which now obtain in Europe are the direct result of the dishonorable policy of our country, because our action could not be honorable upon the basis on which it is presented to us. We did not leave at a time when we were not permitted to leave, with all due respect to the view of the Senator from Nebraska [Mr. HITCHCOCK], and I am perfectly satisfied that the present conditions in Europe do not arise by reason of our act. I think the statement made by M. Clemenceau is as unfounded as it is ungrateful.

The United States went to Europe to participate in a war for which in the first instance the United States was in no sense responsible, a war which grew out of the system and policies which had prevailed in Europe particularly for the last 25 years, a direct result of the policies which obtained there. The war came as a result of those policies, and it progressed to such a point that the American people took part in it. It is pretty well conceded that by reason of their participation they assured victory to the Allies. We sacrificed hundreds and thousands of American soldiers. We contributed a vast amount of money. We were certainly a dominating factor in the determination of the war upon the part of the Allies. We came home without asking reparations, damages, territory, compensation, or anything else of that nature or kind. Having won the victory or made victory possible, having expended vast sums of money and sacrificed thousands of lives, and having left all damages and vast territories to our allies, we are now told we abandoned our allies in dishonorable fashion.

The cause of the disastrous conditions in Europe I will discuss a little later.

The fourth proposition which seems to be clear from M. Clemenceau's speech is that we should now guarantee the boundaries of France; that we should undoubtedly go there with our Army, with our men, with our military force; in other words, that we should give a guaranty, which guaranty would necessarily have to be backed up by military force under the present policies of France.

The fifth proposition which M. Clemenceau submitted to us was that the Monroe doctrine is obsolete; that it was a very good doctrine for the country when it was young, but—to use his expression—the doctrine of a child or the policy of a child is not the correct doctrine or policy for a mature man.

We are advised, therefore, that this policy, which is purely an American policy, distinctly an individual policy, so far as the Nation is concerned, and one which has been very highly prized by the people of the United States, and which, in my judgment,

is still a cherished policy, is now obsolete—an interesting suggestion.

The sixth proposition which M. Clemenceau seems to make clear is that we should assist in enforcing the German treaty as it now exists. There is no suggestion upon his part that France is to modify or mollify her views with reference to the German treaty, or modify the treaty, or consent to its modification. There is not the slightest suggestion of any change of policy upon the part of France with reference to any of these matters concerning which we would be expected to take part. In other words, we are expected to go there with money and men to enforce the German treaty; and to enforce that treaty, in my humble opinion—and that opinion is buttressed by the opinions of men very much more able than I to pass upon such a question—would be the utter destruction of Europe. It would lead to economic chaos, to the breakdown of the whole social and economic fabric of Europe. It would result ultimately in the governments taking possession not only of Germany and administering a government over her people as a subject people but of Austria, Hungary, and perhaps other European countries. Unless, as was suggested by the Senator from Nebraska, there should be a complete change of policy—which is not suggested—this could be the only result of our going into Europe. We are invited, therefore, to do that which will not bring peace, not help the suffering masses, but to enforce a treaty which means greater suffering, more misery—an intolerable condition of affairs which language is inadequate to portray.

As I intimated a moment ago, it is not averse to me to have M. Clemenceau visit this country. We recognize in him a most distinguished figure in world affairs; but I do submit that if he is bringing to the American people a message calculated to bring about cooperation between the two powers it would be wise if he would suggest some modification of a policy upon the part of France which is bringing Europe to utter ruin.

Then M. Clemenceau advises us that we are on the verge of another war. I think probably we are. The outlook is rather discouraging. We are on the verge of another war by reason of the same policies which brought on the war in 1914. The same militaristic, imperialistic policies of the dominating powers which brought on the war of 1914 are again breeding war in Europe; and unless those policies are radically changed, in my humble opinion, at no distant day the world, or a large portion of it, will be engaged in another great conflict. Indeed, Mr. President, we have never had peace. War has continued practically from the signing of the armistice until now in some parts of Europe, and in a large portion of Europe; and the conflict has been the result of the policies pursued by the dominant powers, and not by reason of any failure of the United States to remain in Europe.

M. Clemenceau complains that the people of the United States look upon France as a militaristic nation. There is a belief of that kind in this country, and it grows day by day. I do not assume that the French people as a people are militaristic. I do not know whether that is true or not. At least, there are not sufficient facts in my possession to justify me in making any such charge as that. The French people as a people may be free from the militaristic spirit; but there can be little doubt in the mind of anyone that the governing power of France, the official power of France, is militaristic. The evidence of that fact is upon every hand.

Some three years ago the ex-President of the United States, Mr. Wilson, wrote a letter to the Senator from Nebraska [Mr. HITCHCOCK], which letter was made public, in which he advised us that the military power, the militaristic forces, had taken control of French affairs and of French policies. That called forth at the time some criticism of the author of the letter here in the Senate Chamber; but he was in a position to know. Undoubtedly he would not have stated what he did without ample facts to justify him, and subsequent events quite well justified the statement which he made at that time. Whatever may have been the sentiment of the French people as a people, the letter stating that the militaristic forces had taken control of the policies of France was well justified. Indeed, Mr. President, in that respect France is not different from other countries. I do not know of any country that has not somewhere in it a very strong militaristic force, a people who believe in a strong military policy. We are not an exception to it in this country. It is certainly true with reference to other great countries which I might mention; but the point that now concerns us is that that influence now controls and dominates the policies of France, and there seems to be no reasonable ground upon which to assume that they will within any reasonable time be without control.

We all recall the first meeting of the League of Nations at Geneva. A resolution was offered to the assembly looking to a program of disarmament. In the first instance the resolution



was comparatively mild. It really provided for nothing more than formulating a program of disarmament; but it was objected to, and finally it was modified, and modified again, until, as Lord Cecil said, it was nothing more than a pious expression of the hope that at some time the nations would disarm. But even that resolution, simply indorsing the moral proposition of disarmament and expressing the hope that at some time the nations of the earth could come around to an agreement for disarmament, was voted against by France, and she organized against it a force of some five or six votes. It was in effect stated there at the time that France was not in a position to consider the proposition even as a moral proposition, let alone a binding proposition in the immediate future.

We also remember, as has been said by the Senator from Nebraska, the attitude of France at the peace conference in Washington. When I had the honor to introduce that resolution here in the Senate I left France's name out of the resolution. I did so in the belief that France would not be a willing coadjutor in disarmament. It was perfectly apparent to me, as I stated here upon the floor of the Senate, that France was not in favor of disarmament, or even in favor of any steps being taken in that direction; but it was thought wise elsewhere to include France, and France came. She was the discordant note from the beginning to the end of the disarmament program, in some instances putting almost insurmountable obstacles in the way of any practical results whatever. At least it was known, understood by the world, and practically denied nowhere, that France was against any program of disarmament that amounted to anything; and not only disarmament with reference to those things concerning which she might have claimed in view of her relationship to Germany but concerning those matters which were more immediately related to naval disarmament.

Mr. President, the disarmament treaties were made; and where are they? As I understand, they are resting in the pigeonholes, if not some less desirable place, of the Assembly of France. It is almost a year since they were made. They have been ratified in this country. We were informed that speedy ratification was desired to enable the other countries, knowing our attitude, to follow quickly in our wake. But they have been laid aside, and the latest information is that they are not to be ratified at all. The Assembly of France adjourned last summer, with the treaties still in the committee, and we were advised by the Associated Press that they had not even been considered in the committee. So there is some reason for the American people to feel that possibly France is militaristic. We will be glad to have the distinguished visitor state the exact attitude of France with reference to the question of disarmament, with reference to the treaties which are now pending, and with reference to her position upon the subject generally.

Then, Mr. President, we recall that at the Genoa conference Russia suggested that among the other things to be considered the subject of disarmament be at least discussed to see if we could not arrive at some basis upon which the armaments of Europe could at least be lessened. Russia at that time was reported to have nearly a million men under arms, and Russia suggested that the question of disarmament be taken up. It was said that Russia was acting in bad faith. But who knows? Her bad faith did not have time to exhibit itself, because immediately, and with some degree of asperity upon the part of the representative of France, it was said that that subject would not even be considered, and could not be considered at the Genoa conference.

The Senator from Nebraska has also referred to the attitude of France at this time with reference to Turkey. A business man of this country who was over in that part of the world several months before the situation became so acute, and who had been there for several months, advised me as to what was going to happen, that France was shipping arms in secrecy and under cover of label of other goods to Turkey. He declared that inevitably that kind of encouragement and that program would lead to a condition which would, in his opinion, result in war. Just how near we are to a conflict in that region of the world no one knows, but we all know that it is sufficiently menacing to cause consternation throughout the civilized world.

Here let me pause to say that it is almost capable of mathematical or logical demonstration that the situation in the Near East is due to the policies which have been pursued by France and England in that region of the world. Such policies would inevitably lead to conflict.

M. Clemenceau also feels aggrieved that we think that France is imperialistic. Her conduct in Syria can only be justified upon principles of imperialism, and the most obnoxious and indefensible imperialism. If there was one pledge made in the war that was distinct, clear, beyond all doubt, it

was the pledge which was made to the Syrian people that they should have their independence, that they should be a self-governing people after the war. They understood it that way. They fought upon that basis. Their soldiers were willing to suffer and die upon that theory. Both France and England entered into that agreement or understanding.

It was by reason of the violation of that plain agreement with reference to Syria, and the violation of a similar understanding with reference to Mesopotamia upon the part of England, and their conduct in Egypt, that the entire spirit of the Islam world was aroused and they lost their faith in the governments of the white people. If that fanaticism, kindled by religious zeal, added to the belief that they are fighting for their independence, once gets into action in that portion of Europe, we will have a conflict which will be equal to the one through which we have just passed. There are millions and millions of those people who are now aroused over what they deem the injustices to them and the breaking of faith with them during the war.

Those nations now are in Mesopotamia, holding it by force of arms, and in Syria, holding it by force of arms. I have upon my table here the last dispatch from Syria, showing that they are manifesting in most earnest fashion their disapproval of the mandate and their contention for their independence. They are not only holding them in subjection by a military force, but they are exploiting their natural resources, which they have no more right to take from those people than I would have to reach into your pocket and take your means from you. Those natural resources belong to those people; they are associated with their future prosperity and their future welfare; yet, under the color of a mandate and under the color of protection, their natural resources are now being taken from them. That is one of the reasons why this deplorable condition exists in the Near East, concerning which M. Clemenceau feels some concern. These are the policies which we are invited to go to Europe and enforce.

Just a word with reference to the Versailles treaty. The conditions in Europe are indeed indescribable. The sufferings upon that continent are undoubtedly greater than have been endured by any people in the history of the world, not only in Russia but in Germany, Austria, Hungary, and throughout that region generally. The whole social and economic fabrics of Europe are imperiled. What the future has in store is a mere matter of speculation. It seems, however, that unless there is a change of policy that speculation will come suddenly to an actuality.

But why does that situation exist? There has been a practically unanimous judgment in regard to it. There is very little difference of opinion in regard to it among economists, publicists, and leaders who have studied the subject. They agree that the terms of the Versailles treaty are impossible, that they are destructive, and that they lead inevitably to the conclusion made by the Senator from Nebraska, and, as stated in practical effect by Mr. Nitti and other writers, that lying back of the question of reparation, and the terms of the policy, is the desire for the dismemberment of Germany. I can appreciate in some sense why that feeling may be entertained upon the part of the French people; but it must be clear that that can not take place, with the ruin which would follow, without dragging into the general ruin not only France but other countries of Europe and imperil the social fabric of the entire continent. Such a policy is so utterly destructive, so utterly impossible, that to even contemplate its enforcement seems to me almost unthinkable. That is the reason for the conditions which now prevail in Europe.

A great many distinguished Americans of all kinds of thought, all classes, you may say, have visited Europe within the last three years and have studied the situation, and while, of course, I can not be entirely accurate about it, I can not recall now anyone who has studied the conditions in Europe, and undertaken to arrive at a conclusion as to the cause of those conditions, who has not attributed them to the impossible terms of the Versailles treaty. There seems to be practically a unanimous agreement.

One of the latest expressions upon the subject was by a very distinguished banker in New York, who gave an interview after his return some time last August, in which he said:

No more shortsighted and destructive settlement was ever inflicted upon the world, from the point of view alike of friend and foe, than the so-called peace treaties with Germany, Austria-Hungary, and Bulgaria.

Again he said:

I have not met a man of liberal thought in Europe who does not denounce the treaties and look upon them as little short of a calamity.

Yet, so far as we can gather from the speech and the discussions of our visitor, what we are expected to do is to insure the enforcement of those destructive treaties.



Mr. President, it seems quite clear that, so long as they obtain, so long as the Versailles treaty is the fundamental law of Europe, just that long there will be misery, unrest, conflict, and bloodshed; and not only would the United States be justified in refusing to have any part in it, but in my humble opinion it is one of those things so far-reaching and so thoroughly involving the welfare of the whole human family that we are perfectly justified in discussing it in the most candid manner. Especially must such be true in view of our invitation to return to Europe.

It has been said by the Senator from Nebraska that M. Clemenceau is mild compared with the present prime minister of France and other leaders in France. That may be true; but the views of either with reference to the Versailles treaty are so destructive that comparisons are wholly unnecessary. It may be that in some respects they disagree, but they agree upon the Versailles treaty as it is. They agree upon its enforcement. They refused to consider any question of modification, and that means destruction. If Poincaré has something else in his mind, it is wholly immaterial, because the policy upon which the two do agree is quite sufficient for the indictment which may justly be brought against the policy of that country at this time.

I take the time here to read a paragraph from Nitti, ex-premier of Italy:

The purport of France's action in the conference was not to insure safe military guaranties against Germany, but to destroy her; at any rate, to cut her up. And, indeed, when France had got all she wanted and Germany was helpless, she continued the same policy, even intensifying it.

Again he says:

\* During the conference France put forward some proposals the aim of which was nothing less than to split up Germany.

I now read a paragraph from Mr. Bernard M. Baruch's volume on the making of the treaty. Mr. Baruch was one of the ablest of the advisers at the Peace Conference. He says:

Americans and others had the charity to remember that the horrors of war were still heavy upon the world. Try as men might, and I submit that they did try, the spirit of vengeance or of selfish advantage could not be entirely eradicated from the minds of the framers of the treaty.

Mr. President, I read these paragraphs not to assess personal blame but to reveal the fact which must be apparent to all—that a treaty made in this spirit and with the views then entertained can not be a sound treaty or a treaty under which peoples may again come to a peaceful understanding. Such a treaty was indeed, as M. Clemenceau declares, but a perpetuation of the war, and it has brought with it all the evils, all the bitterness, all the demoralization of war.

Mr. President, to me the most discouraging feature of the able visitor's speech is the fact that here is one of the great and dominant figures of the world—perhaps there are not over three or four men in the whole civilized world now living who would rank with him in career and in fame, not only before his own people but before the people of the world—who comes to us to visit us four years after the signing of the armistice. He carries no message, when we analyze his speech, except that of punishment, of vengeance, of anticipated war. There is not a note of harmony toward the other powers of Europe, not a suggestion of a constructive policy, not a single ray of promise so far as actual peace and the happiness of the world is concerned.

I utterly disbelieve in his whole theory. I can not accept his outlook. I unhesitatingly reject the proposition that there is no means in this world by which to govern men except that of force.

If the great powers of Europe will write a treaty under which Europe can live, if they will do justice to the subject peoples of Europe, if they will abandon the principle of imperialism, if they will announce instead of a policy of force that of justice toward other peoples, if they will adopt the policy which looks to peace and not to war, which looks to reconstruction and not destruction, which looks to upbuilding and not dismemberment, and bring their program to the American people, they will find as sympathetic a chord here as they will find anywhere in the world.

We will not be misled, Mr. President, however, with the talk about peace to overlooking the underlying principles upon which the whole policy of Europe is based. It is precisely the same policy against which the delegates to Paris had to contend at the Peace Conference after the close of the war. There was carried to the Peace Conference an American policy, a policy based something upon justice and equity to the different nations of the world, something of amity, something of reconstruction. Every single principle that was carried to that conference by the American delegates was rejected, so far as the treaty proper is concerned. Not a single one of the policies was incorporated in the treaty. The same policies prevail now. We are invited back, not to a new Europe, not to a Europe looking to reconstruction. We are invited back to the old

Europe with its secret treaties, its secret diplomacy, its militarism, its imperialism, and it is that policy which the American people are asked to furnish their money, their means, and their men to enforce. M. Clemenceau could have carried a message to the American people which they would have been delighted to hear, but he has brought the old policy. Humble as I am in these affairs, and as little as I have to say about them, I venture to declare that the American people will reject it. They will separate the policy from the man, and while giving the man a royal welcome they will with magnificent unanimity reject the policy.

Mr. STERLING. Mr. President, when this discussion was begun by the Senator from Nebraska [Mr. HITCHCOCK] I had not expected to say a word upon the subject, but I was led to think, while the discussion was going on, how easy it sometimes is for us to forget and how differently we feel at a distance of 3,000 miles from the cause of any friction between Germany and France than if we lived just across the river from an enemy country.

I very well recall the ardor with which after a long time we engaged in the war for the protection not only of our own rights but for liberty and humanity throughout the whole world. But before we got into the war France had been fighting our battles for us and for the rest of the civilized world as well.

I remember, Mr. President, seeing a cartoon of McCutcheon's in the Chicago Tribune at or about the time of the signing of the armistice. There were two pictures in the one cartoon. One represented what the Belgian soldier was going home to, while the other represented what the German soldier was going home to. The Belgian soldier found his cottage a mass of ruins. There was just one wall and a part of the chimney left standing. He had been looking among the debris, and there he found, as the only sad reminder of his family and his home, a child's doll upon which he seemed to be gazing with a sorrow unutterable. The picture would apply to the French as well as the Belgian soldier. Then there was the other picture of what the German soldier was going home to. It was a picture of a soldier clad in splendid uniform, with knapsack on his back, his rifle on his shoulder, and he was approaching a fine cottage all intact, with trees and flowers and a neat fence around it, and a wife and 3 or 4 apparently happy children rushing out to greet him. That was the picture of the German soldier and his home. I hope in the discussion of this question now or hereafter that we may for a little while anyhow put ourselves in the other fellow's place.

I remember, too, some of the statements of M. Briand at the Conference on the Limitation of Armaments. He contended against a reduction of land armament and forces—and why? He told us why. It was because Germany had not yet morally disarmed and that she had facilities through her military system that had been in vogue for many years prior to the armistice; she had facilities through the general officers of the army; she had the means and facilities through quasi military organizations all through Germany to mobilize a great army in a comparatively short time; and that as long as she was not morally disarmed there was yet danger of a war of aggression against France. For that reason M. Briand protested eloquently against the further reduction of their land military forces, agreeing, as they did at that time, to naval disarmament.

Now, Mr. President, I do not believe the speech of M. Clemenceau bears the interpretation put upon it by the Senator from Nebraska [Mr. HITCHCOCK] or the Senator from Idaho [Mr. BORAH]. I think, in the first instance, M. Clemenceau wanted to know that America, true to her traditions and true to what she had done in the past, was still her friend as she was when France stood as the great bulwark of liberty in Europe. Here is what he said, expressing the same thought that M. Briand did in his memorable speech to the Conference on the Limitation of Armament:

Do you know that they are manufacturing cannon by the hundreds; that they are making machinery everywhere?

Now, just a word here with reference to the present financial or economic condition of Germany—the reference to the making of machinery reminds me of it. Is it as bad, notwithstanding the tremendous depreciation of the German mark, as has been depicted from time to time here in the Senate? I doubt it very much. We read in the papers that Germany is not suffering from the lack of employment of her citizens, but that everybody in Germany is at work, a condition quite different from ours just a few months ago and a condition quite different from that in Great Britain at the present day, where there are thousands, if not millions, of unemployed. If they are at work they must be producing something, and if they are producing something they must be able to find in the markets of the world a market for the surplus products which they do produce.



Mr. FLETCHER. Mr. President, may I interrupt the Senator upon that point?

Mr. STERLING. Certainly.

Mr. FLETCHER. The Senator may be able to state how much Germany has made out of Americans on the sale of her marks in this country. The statement has been made that in the sale of her marks in this country she has been paid in gold by Americans more money than the entire amount of her payments or installments on her reparations would come to at this time.

Mr. STERLING. I do not know as to the figures in regard to that, but I am obliged to the Senator for the suggestion.

M. Clemenceau further said:

The German taxpayer pays, I think, \$13—

I suppose he means the average per capita—

let's say \$14, the French \$43. There is a line in the treaty that says Germany will have to pay as high as the Allies and all the rest. And what are they preparing?

Further he said:

Now, I say, that after such a war men can not continue to fight each other; they can not fight forever. There are, after all, two Germanys. There is the Germany which is a democratic Germany, which I think could, more easily at least, be called to reason, while the others who love war have learned nothing and are preparing a revolution or civil war against their brothers just to begin the action against the European powers.

So, Senators, it is not against the German people that Clemenceau declaims. His dread is the militaristic forces in Germany that are even to-day seeking control of German affairs for the purpose of overthrowing the Republic and setting up an autocratic rule there. They little care if they bring about a civil war in Germany or precipitate a war in Europe to accomplish their purpose. Clemenceau says they are manufacturing cannon by the hundreds now.

It is rather to disabuse the mind of the idea that France is now seeking that we send an armed force to France to help defend her frontiers against German aggression that I call attention to another statement that Clemenceau makes. I do not think there is anything in the speech of Clemenceau that hints at such a thing.

Mr. BORAH. What does the Senator understand that Clemenceau means by guaranties?

Mr. STERLING. Not by an armed force. He perhaps would like to have a treaty such as was formulated and presented here to the Senate at one time between Great Britain, France, and the United States, in order that we might help guarantee France against aggression by Germany.

Mr. BORAH. That was clearly understood to be a treaty which was backed up by military force.

Mr. STERLING. Oh, in the end, of course it was.

Mr. BORAH. It is the end we are thinking about.

Mr. STERLING. But the Senator from Idaho, I think, as well as the Senator from Nebraska, sought to leave the impression that they wanted an armed force now and that that was the kind of guaranty we ought to give.

Mr. BORAH. What does Clemenceau want? He wants a treaty which is backed up by military force to enforce the German treaty. How are we going to do it?

Mr. STERLING. If necessary, we always back up treaties by military force, and if we should make a guaranty here we would be prepared to back it up by military force.

Mr. BORAH. Then, do I understand the Senator is in favor of a treaty to be backed up by military force?

Mr. STERLING. I am not declaring now that I am in favor of such a treaty.

Mr. BORAH. No; but what is the Senator's view in favor of such a treaty?

Mr. STERLING. I am not saying but that America might be justified in taking the part of France against aggressions by Germany.

Mr. BORAH. Is the Senator in favor of a treaty guaranteeing the territorial integrity of France?

Mr. STERLING. No; I am not in favor of such a treaty at the present time.

Mr. WALSH of Montana. Mr. President—

Mr. STERLING. I yield to the Senator from Montana.

Mr. WALSH of Montana. I should like to inquire of the Senator from South Dakota if he accepts the statement of M. Clemenceau to the effect that Germany is manufacturing cannon by the hundreds?

Mr. STERLING. I am not saying that I accept that statement in its completeness, but I say it corroborates the declaration made by M. Briand at the Conference for the Limitation of Armament.

Mr. WALSH of Montana. I observe that M. Clemenceau makes the statement; but it will be borne in mind that under the Versailles treaty a commission was appointed by the Allies,

which was authorized to have inspectors in Germany, to make reports constantly to their respective governments concerning whether Germany does or does not comply with the treaty.

The last official information we had upon the subject from the War Department, which was submitted here in the Senate about a year ago, was to the effect that Germany was complying with the provisions of the treaty in respect to disarmament and the manufacture of further arms. Has the Senator from South Dakota any information at all to support the statement of M. Clemenceau?

Mr. STERLING. I have not any information on the subject; I have not examined the question. I remember, however, the provisions of the treaty to which the Senator from Montana calls attention. All I wish to say is that M. Clemenceau makes the statement, and I believe that he believed it when he made it.

Mr. WALSH of Montana. Yes; but has the official inspector of any allied government made such a statement?

Mr. STERLING. Not that I know of, I will say to the Senator from Montana.

Mr. BORAH. In addition to that, Mr. Lloyd-George stated in the House of Commons, after his return from Genoa, that Germany had disarmed in accordance with the treaty.

Mr. STERLING. Further, M. Clemenceau says:

Now we are in the greatest crisis, and nobody knows when it may end. Nobody knows whether European miseries will not have some effect upon American prosperity. You announced to the world that you would set them free. You proclaimed it in the peace treaty. Then I turned to you and I told you this: Why did you make the war? Was it because you thought that you would be threatened? Was it to aid others? Was it for the liberation of suffering countries and make, as President Wilson said, democracy safe, or something like that?

And here is interjected—

[Laughter and applause.]

Mr. BORAH. Why does the Senator from South Dakota suppose that the audience laughed at that question.

Mr. STERLING. I know just as well as the Senator from Idaho knows why they laughed.

Mr. BORAH. They laughed because the gentleman who was speaking there was not in favor of democracy.

Mr. STERLING. Oh, no; I do not have that idea at all. I think they had an idea that the Versailles treaty had been a failure and that the ideals set up by the former President of the United States were not and could not have been realized. That is why they laughed, and not at all because Clemenceau was not in favor of democracy. M. Clemenceau continued:

Tell me which of these points you have gained by this war. You have come to the last point where you are granted by good fortune the time to think. Now, have you made up your minds?

Here is what I wish to call especial attention to. These are the very last words of his speech. M. Clemenceau says:

No sacrifice is demanded or exacted from you except to assert that you want to keep among the people of this world the great place that you have twice taken.

That is all, I do not believe that M. Clemenceau came here with the intention of stirring up a military spirit, Mr. President, but he wishes to be assured of the friendship of America; to be assured that for a like cause as that for which we fought before, or a cause akin to it, we shall be ready to fight again for the protection not only of our own rights but for liberty and humanity throughout the world. Those were the inspiring causes for our zeal and our ardor in taking part in the great World War.

Mr. President, I find here in the very same edition of the New York Times in which I find the speech from which I have quoted, and from which other Senators have quoted, an editorial which I believe gives a better estimate of M. Clemenceau and his relation to France and to this country, and also of the attitude of France toward this country, than has been given by the Senators who have spoken. I conclude by asking that this editorial may be read at the Secretary's desk.

The VICE PRESIDENT. In the absence of objection the Secretary will read as requested.

The reading clerk read as follows:

[Editorial from the New York Times of Wednesday, November 22, 1922.]

#### CLEMENCEAU'S PILGRIMAGE.

It was said of Alexander Hamilton by Talleyrand that he had "divined" Europe without seeing it. Georges Clemenceau has both seen America and lived in it; was in touch during the war with the flower of our youth and with our statesmen; so that he ought to be able to know us better than any living Frenchman. And he has already made it clear that in many ways he has accurately divined the United States. He must have foreseen the immense and overflowing personal tribute which would be paid him here. That, however, he puts aside as a mere incident of his visit. He could not have been in doubt that there would be a great emotional response by America to his splendid gesture of friendship. He understood Americans well enough to know that they would rise to greet a pilgrim who in his valiant old age came here to fling himself upon their affection and confidence. In all these respects his brightest anticipations must already have been far outstripped.

The great question was whether M. Clemenceau divined what Americans wanted to hear from him about his beloved France and her rela-

tions to this country. Here again his knowledge, his sagacity, his intuitions of the heart have been a sure guide to him. He came in no official character. He brought with him no thought of instructing America in her duty. His sole and sufficient mission was to stand up as a gallant and indomitable figure seeking truly to interpret to America the thoughts and feelings of his own people. If he could but communicate to us the emotions which filled his own breast, he felt sure that appropriate action could be left for Americans to decide upon for themselves.

In his first approaches to his self-appointed task in this country, M. Clemenceau has been most successful. Saying nothing of the overpowering ovation which he has received personally, and which he plainly regards as only secondary to his main object, his utterances have had in them a note of sincerity, of downright conviction, and of touching appeal—all quite irresistible. It is already certain that his visit will be an undoubted triumph. His alert wit, his unquenchable optimism, his confidence in American friendship, his undying devotion to the France for which he has lived and suffered and fought, make up a combination fitted to carry everything before it. At least in the person of Georges Clemenceau America is willing to pledge anew the sacred union of the years of war in and for France.

#### TRANSPORTATION RATES ON FARM PRODUCTS.

Mr. CAPPER. Mr. President, I wish to discuss briefly the question of transportation rates as they affect the producers of the West. I have here a letter from the chairman of the Public Utilities Commission of Kansas, setting forth in an interesting and illuminating manner the rather discouraging situation which now confronts the farmers and stockmen of Kansas, and giving in some detail facts as to transportation rates, showing beyond any question that they are out of line with the prices which the farmers are receiving at this time. I ask consent that the letter referred to, which is a very strong appeal for relief from the present distressing situation, be incorporated in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

STATE OF KANSAS,  
PUBLIC UTILITIES COMMISSION,  
Topeka, September 9, 1922.

Hon. ARTHUR CAPPER,  
United States Senate, Washington, D. C.

DEAR SENATOR CAPPER: I know the attention that you have given to and your familiarity with the transportation question and your appreciation of the very great burden that the present level of rates lays upon industry. Beyond its weight upon the general public, the burden bears with peculiar force upon the agricultural industry and upon the people of the agricultural States. The products of the farm are bulky. The granary of the continent lies in the heart of the Nation requiring transportation of its foodstuffs long distances to the consuming markets.

Comment amounting to volumes has been made upon the effect of the present rates upon practically every line of business. These phases have been discussed in the public press, from the platform, in business meetings, before committees of Congress, and before the regulatory commissions to an extent that seems to make it unnecessary to add anything upon that phase of the subject here. It does seem imperative, however, to invite your attention to the general situation and the burden that the present high level of transportation rates has laid upon the country as a whole.

The increases in rates were made in 1918 and in 1920. Some adjustments have been made in the last year, but the general aspect has not changed. A brief statement of the general situation may be illuminative and interesting. All of the figures quoted here, after regarding railroad revenues and expenses, are taken from reports of the Interstate Commerce Commission and from the Bureau of Railway Economics.

The total revenues of the large railroads—that is, those having gross operating revenues amounting to \$1,000,000 per annum—beginning in 1913 are as follows:

	1913	1914	1915	1916	1917	1918	1919	1920	1921
	\$3,125,135,798	3,047,019,908	2,956,193,202	3,472,641,941	4,050,463,579	4,926,594,000	5,184,230,000	6,225,417,245	5,563,232,215

On the basis of current business, the 1922 revenues will not vary substantially from the figures for 1921.

In the eight years since 1913 the transportation cost to the country of handling freight, passenger, mail, and express has increased over \$2,400,000,000. If this reflected a conspicuous increase in the amount of service rendered it would be justified. If, on the other hand, it represents an increase in cost for substantially the same service, then it is, indeed, a condition that calls for the most careful thought of the Nation. That consideration may be given to this phase of the question, there is shown for your information the amount of freight business transacted during these years reduced to terms of tons carried 1 mile. In other words, ton-miles moved. Side by side with the statement of tons carried 1 mile is shown the gross freight revenue.

	Revenue tons carried 1 mile.	Gross freight revenue.
1913	301,398,752,108	\$2,198,930,565
1914	288,319,890,210	2,114,697,629
1915	276,830,302,723	2,037,925,560
1916	343,099,937,805	2,469,026,921
1917	394,465,400,493	2,834,119,707
1918	405,379,284,206	3,458,191,000
1919	364,025,244,000	3,556,734,000
1920	409,994,739,000	4,323,650,977
1921	306,755,332,000	3,918,699,970

From the above table it will be seen that where the ton-miles of revenue freight moved increased 1.8 per cent, the cost to the public of moving this volume of business increased 78.5 per cent.

These figures should convey some conception of the tremendous burden which business, and particularly the agricultural industry of the Nation, is carrying. Emphasizing the situation as to the freight business the following figures will illustrate the present burden laid upon the traveling public by the tremendous increase in the unit cost of passenger transportation.

From 1913 to 1921, inclusive, the passenger business of the country, reduced to terms of passengers carried 1 mile and the total amount collected for the service, is expressed below:

	Passengers carried 1 mile.	Gross passenger revenue.
1913	34,575,872,980	\$695,987,817
1914	35,258,497,509	700,403,353
1915	32,384,247,563	646,475,045
1916	34,213,596,127	689,626,943
1917	39,476,858,549	827,216,574
1918	42,676,579,199	1,032,671,000
1919	46,192,112,000	1,178,120,000
1920	46,847,534,000	1,287,423,443
1921	37,329,114,000	1,153,752,002

Corresponding to the relation between the increase in freight revenues and freight traffic it will be seen that while the passenger traffic of the country was increasing 8 per cent, the passenger traffic cost to the traveling public increased 65.8 per cent.

One effect of this great increase in railroad transportation costs, both of passenger and freight traffic, has been to drive the short-haul traffic to the highways of the country through the use of motor vehicles. There has been a tendency in recent years to increase railroad freight rates for short hauls even beyond the proportion in which rates have been increased generally. The effect of this is reflected in the extended and expanding use of motor trucks for freight and passenger-carrying purposes. That motor trucks are an important factor to be considered in future transportation is beyond doubt, but it is my belief that excessive railroad rates for short hauls is accelerating the rate at which traffic is moving by that method.

The Bureau of Labor Statistics of the United States Department of Labor showed the value of index commodities for 1921 as follows, 1913 being used as the equivalent of 100 per cent (as I have done in the calculation of transportation costs):

Farm products	120
Food, etc.	143
Cloths and clothing	183
Fuel and lighting	190
Metals and metal products	131
Building materials	196
Chemicals and drugs	168
House furnishings	238
Miscellaneous	158
All commodities	153

It will be seen that with all commodities at 153, and with heavy commodities like farm products, food, metal and metal products, considerably lower than that figure, that the transportation cost increases are entirely out of proportion. It must be further considered that these high transportation costs are a factor in the cost base of these index commodities.

In order to bring this illustration down to date and to give you a complete idea of the situation in which the grain farmers of the Nation, and particularly those of the Central West, find themselves, I am quoting here the average price of the three principal grains on the Kansas City and Chicago markets as of September 2, 1913, 1921, and 1922.

	1913	1921	1922	Per cent 1922 price is of—	
				1913	1921
KANSAS CITY.					
Wheat:					
September.....	81½	116	93½	114.3	83.9
December.....	86	119½	94	109.3	78.8
May.....	91½	123½	98½	108.1	80.1
Corn:					
September.....	74½	43½	52½	69.8	108.6
December.....	72	46½	50½	69.8	108.9
May.....	74	51½	54½	73.3	106.1
Oats:					
September.....	41½	32	31½	75.8	97.7
December.....	44½	36½	33½	74.7	92.7
CHICAGO.					
Wheat:					
September.....	86½	126½	99	114.1	78.4
December.....	90½	128½	101½	112.0	78.7
May.....	95½	132½	106½	111.8	80.4
Corn:					
September.....	74½	54½	59½	80.6	109.6
December.....	79½	54½	55½	70.0	102.3
May.....	72	58½	59½	82.1	100.4
Oats:					
September.....	41½	35½	32½	78.9	92.2
December.....	44½	38½	34	76.2	88.3
May.....	47½	42½	37½	78.1	88.5

Economic conditions are one factor in making freight rates. In other words, the value of the commodity transported is an element in determining the value of the transportation.

From preceding tables it will be observed the prices of wheat at the principal markets of Kansas City and Chicago is much below the price a year ago, although above the price of 1913. On the other hand, while the price of corn has improved slightly as against a year ago



when it was abnormally low, it is materially below the price of 1913. The price of oats at both markets is below both the 1913 prices and the prices a year ago.

Industry of every character in which transportation costs are an important factor is staggering under a tremendous load. This applies with particular force in the agricultural industry. It is imperative that relief should be given to farmers from excessive freight costs.

Very truly yours,

C. M. REED.

Mr. CAPPER. Mr. President, week after week during the present autumn the railroads of the United States have done, and still are doing, the greatest business in their history. They are doing it at an increase of 78½ per cent per ton-mile for freight, and of nearly 66 per cent per mile for passengers. During the earlier part of the year, we have it on the word of the Interstate Commerce Commission, that despite the handicap of two great strikes, the railroads have made a better financial showing for the first eight months of 1922 than for the same months of 1921.

For the moment, Mr. President, I ask you to compare these and other reports of business revival with the reported loss this season of more than half this country's fruit crop, because it cost the growers more money to ship their fruit than to let it rot. While thousands of bushels of good peaches were rotting, what housewives call "butter peaches" were selling at \$2.65 a bushel in our towns and cities.

Since then it has been the grain belt's turn to suffer, and now both the grain grower and the stockmen are catching it. Much lower prices this crop year, three years of losses, and the higher-than-war rail rates are consuming our farmers.

It is strictly true to say that for the last two years and four months rail rates on farm stuffs have been more than the traffic could bear, or should have borne, and this was never more true than at this moment. Our farmers are actually paying out money for the privilege of growing wheat and that in a time of world need of wheat. For example, when wheat was at the \$2 level a rate of 21 cents, say, on a bushel was only 10 per cent. But now with \$1 wheat that same rate absorbs 20 per cent of the sale price. This is excessive; far too excessive. Farmers can not market wheat on the margin existing freight rates require.

The grower has no voice in the terminal market for wheat, which is 50 per cent and more below the war level. At the same time the cost of producing wheat is not more than 25 per cent under the war-time figure. In 1912 and 1913, before the war, country elevators averaged 5 cents a bushel margin. That was increased until in 1921 it reached 13 cents a bushel. Add to the high railroad rates high elevator charges and low terminal markets and the burden becomes destructive.

It is a most ruinous and short-sighted policy, for in the end the railroads and the eastern manufacturer and the public are all going to suffer for every dollar of loss inflicted on the farmer. That is the inescapable economic result. I argue not that the railroads can not afford to make substantial reduction in rates but that they can not afford not to make such reductions, and speedily.

Mr. President, throughout the Nation good news is crowding the bad. Despite strikes, despite that farmers are further being crucified between still lower prices for everything they sell—lower in some instances than pre-war prices—and higher prices for everything they must buy; despite the terrible injustice of these adverse and long-continued economic conditions from which our farmers suffer; despite the now unconscionable, indefensible, and exorbitant freight rates; despite all these things we seem to be promised an early period of recuperation, to be followed, if attained, by saner price adjustments, and at last genuine good times.

Will this come to pass? I think anyone may find the true answer, Mr. President, in a brief study of the facts.

Transportation is the barometer of commerce. Although the time for the seasonal decline to set in for railroad traffic is mid-October, more widespread stimulation of business is reported this autumn by the car service division of the American Railway Association than in 1920, the peak year for railway traffic.

During the week ending October 1 the roads loaded 1,003,759 cars with revenue-producing freight, or only 1½ per cent less than the greatest week's business they have ever done.

For the week ending October 28, 1,014,480 cars were loaded with revenue freight, an increase of 10,721 cars over the week of October 21 which preceded it, and the largest number loaded during any one week in the history of American railroads except the week of October 15, 1920, which exceeded this total by only two-fifths of 1 per cent.

A new record, however, was established. In the number of cars loaded with merchandise and miscellaneous freight, including manufactured products, the week ending October 28 of this year surpassed any other week in our railway history. Not simply that; this was the fifth week in almost five successive

weeks this year that a new traffic record for this class of commodities was made. We again are witnesses, Mr. President, of the titanic struggle of our domestic commerce to come back and stay on its feet.

The Railway Age says we would break the railroads by reducing rates. It also is said in the same quarter that a reduction in rates would cripple the roads. I do not think so.

For more than a year, Mr. President, the roads have been doing a paying business in the face of two great strikes. Not a few are earning much more than their dividend requirements. According to the Dow Jones financial agency, first-class Wall Street authority, 13 great railway systems will increase their dividend rates during the next few months; one of them, the Chicago & North Western, to 8 per cent.

This year the Atchison, Topeka & Santa Fe Railway is earning about 25 per cent on its preferred stock and 13 per cent on its common. Its surplus has increased from \$35,000,000 to \$105,000,000 during the last seven years. Last year, not so good a year for the railroads as this one, the operating expenses of the Santa Fe absorbed \$80,000,000 of its earnings, it put \$84,000,000 into improvements, and added \$20,000,000 to its surplus.

This year the Union Pacific is earning 15 per cent and has a very large surplus, about \$200,000,000.

This year the Burlington is paying its stockholders a 20 per cent dividend.

This year the Louisville & Nashville contemplates a 50 per cent stock dividend, and the Reading and the New York, Chicago & St. Louis are likely to declare extra dividends or special distributions.

Still later calculations this year, based on nine months of railroad earnings, and they are highly conservative calculations, indicate that the Great Northern will earn 6 per cent for its stockholders; the Pere Marquette, 8.4 per cent; the Chesapeake & Ohio and Southern Pacific, each, 10 per cent; the Illinois Central, 14 per cent. Stock in Reading has advanced to a new high mark for the year. Central of New Jersey expects to make an extra dividend or distribution. Pennsylvania increases its dividend from 4 to 6 per cent. Norfolk & Western declares an extra dividend at the rate of 4 per cent a year in addition to its regular 7 per cent a year dividend.

The Southern Pacific earned 9 per cent last year and will do still better this year. After paying its usual dividend of 20 per cent, the Lackawanna in 1921 paid a stock dividend of 100 per cent, and is now on a 12 per cent basis. The Lehigh Valley is paying 7 per cent dividends, and earning a good deal more.

The opinion held by the Railway Age is not shared by the stock market nor the "ticker" news. The discussion in regard to lower rail rates has been going on for more than a year, and some reductions have been made; yet in Wall Street railroad stocks have risen something like 50 per cent within 12 months. If you wish to own any Union Pacific stock you must pay a premium of from \$40 to \$50 a share to get it. In the same way, to own a share of Santa Fe stock will cost you anywhere from par to \$106, and it is cheap at that. Shares in many other railroad stocks stand well up in the 90's.

These are signs, I take it, that these roads are not suffering from lack of business nor from lack of profits. We know that the valuation on which transportation charges are based is liberal. The former chief cost accountant of the United States Railroad Administration estimates that the value of all railroad property in the Interstate Commerce Commission's valuation report will not exceed \$16,000,000,000. The present rail rates are based on a property investment of \$18,900,000,000, or nearly \$3,000,000,000 more.

During all this time of railway rehabilitation we have had the prolonged and critical slump in farm prices, while the prices of manufactured goods in a great many instances have remained close to war levels. The great spread between these two classes of products, both absolutely essential to the well-being of the people, is virtually no better adjusted than it was when we set out by the deflation policy to divide everything by 2 and make that division fair and equal.

One great reason why we are not now, two years later, on a more uniformly adjusted basis as to prices and values must be apparent. We can not have a genuine readjustment of prices and values when the cost of transportation and distribution is excessively high and the rating of all other things is at comparatively lower levels.

To paraphrase a historic saying, the way to readjustment is to readjust. The next great step in the process will have to be some substantial reduction of the higher-than-war rail rates.

Preceding and during this year or more of railway prosperity the public for nearly two years and a half has paid and still is paying a bonus of a billion dollars a year to the railroads in increased transportation charges, when for months neither



the farmer nor general business in many localities has been making expenses, to say nothing of making profits.

Mr. President, I am the last man to wish to injure the railroads or to lessen their efficiency; but I see, as they do not seem to see, that we can have no economic balance, no actual readjustment, no true settling of business conditions while freight rates remain at the present peak and while farmers, who must pay freight both ways, continue to produce at a loss. Many of our farmers are being bankrupted by having to sell their products at virtually pre-war prices, then having to pay freight on them from 50 to 80 per cent higher than pre-war rates.

In other words, I contend that excessive and prohibitive freight rates will in the end more certainly prove disastrous to the railroads than certain immediate and safe reductions in rates which should be made.

Unless we are to change the whole industrial map of the United States, besides bringing ruin to many persons, my opinion is not that the railroads can not afford to make a reduction in rates but that they can not afford not to make reductions immediately.

It is an appalling but true statement that in an average good crop year, such as this has been, our farmers can not make ends meet; and I think we do not have to be told that a prosperity which does not reach the grass roots can not last. It can only be, and will be, short lived. Unless we can and will do something to put this country's biggest buyer and greatest wealth creator on its feet this new prosperity will prove as false and as delusive as "fox fire."

Except cotton, virtually all the great farm staples are not only still at uninflated prices but are deflated to points below cost of production. Corn is grown on nearly 5,000,000 of our six and one-half million farms. In many districts 80 per cent of the farmers grow wheat. Wheat is exceeded in acreage only by hay and corn. They supply "currency" to farmers. When the farmer takes his corn, wheat, hay, oats, or rye dollar to market he finds it worth about 60 cents, and, worse, competing with the middleman's and the manufacturer's 100 per cent dollar which is trying to be a superdollar. On top of this, the present rail rates on grain, grain products, hay, straw, and live stock are out of all reason.

Farmers who have survived the crushingly calamitous years of 1920 and 1921 are now entering on a third crop year of low prices, lower than the lowest, which, if amelioration is not speedily found, will put a decisive veto to any part of good times.

Wheat has always been considered by economists the regulator of prices. To-day it is probably the cheapest product in the United States—the one great world staple product which is still below the pre-war price. At the present buying power of the dollar, our farmers are only realizing between 55 and 60 cents a bushel actual money for this "price-regulating" food product. Europe will do little wheat buying, as a rule, until it is satisfied that the gamblers in the American wheat pit have "beared" the market down to the last notch.

So our farmers are double-crossed, first, by the lower values for what they have to sell and to ship; second, by the higher prices they must pay for everything they would buy. The farmer, hardest hit by deflation, working for less wages than anyone else, and getting the lowest returns, has steadily gone on producing, although he had far more excuse to strike than anybody ever had.

Secretary Wallace, of the Department of Agriculture, shows that the purchasing power of the farmer's products this year is from 25 to 45 per cent less than in 1913. That is an enormous difference. Add to this freight charges from 50 to 80 per cent higher than pre-war rates on his products, and you will have some conception of the farmer's present plight. It is appalling.

The farmer is about the only man in these United States who can not buy as much or more with his products in 1921 as he could nine years ago.

Although our farmers have had a good average crop year in 1922, they are unable to market their products for enough to maintain themselves. Many tell me of unpaid taxes on farm land. Some must see their farms sold for taxes. Many young farmers are tax-broke, and are being compelled to abandon their farms to seek work in the cities.

According to the census report, farm mortgages increased 132 per cent between 1910 and 1920; but since 1920 farmers' debts have increased tremendously, faster than ever before. The exceptions are those farmers who have abandoned their farms to their creditors to prevent increasing their debts far beyond the deflated value of their holdings.

Mr. President, the American farmer, the gamest fighter we have against adverse conditions, has almost reached his eco-

nomic last ditch. He has fought a long-continued endurance contest that has been more drastic than any other economic crisis in our history.

This is true, notwithstanding the solid work this Congress has done and that Congress has yet to do to rehabilitate the farming industry; to organize it and put it on a fair basis with all other industries; to give it an entire new suit of credit and marketing clothes that shall be roomy enough and long enough to provide for its growth and to cover its nakedness.

The benefits to come from this legislation lie in the future. What the farmer needs now to help him survive, to help him pull himself out of the hole, is a material present benefit, such as a substantial reduction in freight rates would be. No one else is so terribly hampered by excessive freight charges as he. This is particularly true of the western farmer and stockman, far removed from the big markets. The rates now in force are in many cases almost prohibitive. Every bushel of Kansas wheat, for instance, shipped to Chicago this year is sold at an actual loss to the man who produced it. These high rail rates have hit all these men doubly hard, because the farmer gets the freight added to everything he buys and pays the freight on everything he sells.

Mr. President, better times can be made to reach the farm if only we will promptly extend a little practical, righteous help in season; if we will take the higher-than-war rates off of freight charges and come down to just plain war rates. If we do not do this, let me ask, what eventually will it profit the railways in dividends if we put the farmer completely, or almost completely, out of business?

It is true that in recent weeks the prices of farm products have turned to the upgrade and are more favorable than the figures given by Chairman Reed in this letter; but many of our farmers are still worse off financially than they were at the lowest ebb of the deflation period. The greatest thing that the Senate can do at this critical moment to assist them would be to take a stand for a prompt reduction in our still higher-than-war-time freight rates. For the roads it would be like casting bread upon the waters to share their growing abundance with their hard-driven best customer by lowering freight rates on his products. Throughout the Nation a prosperity based on a just level of transportation rates would be freely, immediately, and continually shared with the railroads.

If we are to save the situation—and this is no special plea; it vitally concerns the general welfare—let me say to you most solemnly and earnestly that the railroads must voluntarily and at once make further rate reductions; or, in default of such action, that the Interstate Commerce Commission must with utmost promptness put such rates into effect.

Mr. President, I hope to see the Interstate Commerce Committee of the Senate report favorably at an early date on my bill repealing section 15a of the transportation act—the rate-making clause. As it now stands, section 15a is fundamentally uneconomic and unsound. The first point of objection to the law felt by the western public concerns its requirement that the commission be required to make rates by groups which will give satisfactory earnings to all railroads in a given territory, whether these roads are badly located and badly equipped or whether they are properly located and kept in condition.

A second point is that the fair-return principles of the transportation act themselves should be modified to remove the influence on the Interstate Commerce Commission which now is holding back proper rate adjustments.

The clauses of the transportation act which provide for the return to the Government of these surplus earnings is nonenforceable as the law stands.

The passage of the bill now before the Senate committee will give the State railroad commissions more control over intrastate rates, which they should have. It would terminate many of the excessive charges by removing the so-called guaranty section of the Cummins-Esch Act, and so make possible the return of good times and a genuine revival of business in the only way in which they can come to stay. Those who are particularly interested in putting the farmer on his feet should at this session urge the passage of this bill or a similar measure repealing this and other objectionable provisions of the Cummins-Esch Act. Sooner or later, Mr. President, this must be done. Far better do it sooner, and so bring to an end the ruinous endurance contest which has brought our greatest prosperity maker—the farm—to the verge of ruin.

#### LIBERIAN LOAN.

The Senate as in Committee of the Whole resumed the consideration of the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.



The VICE PRESIDENT. The question is on the amendment offered by the Senator from Mississippi [Mr. HARRISON].

Mr. CURTIS. Mr. President, I think I ought to say, in regard to the amendment, that it was offered at the last session of Congress, and I suggested to the Senator at the time that he withdraw it, and that it should properly go on an appropriation bill. Afterwards an item similar to the one offered by the Senator was recommended by the Interstate Commerce Commission, approved by the Bureau of the Budget, placed on the last deficiency appropriation bill by the Committee on Appropriations, and voted on by the Senate. When it went to conference, however, the House conferees refused to agree to the amendment, and it was eliminated from the bill. At that time I told the Senator from Mississippi that if the amendment was not agreed to in conference, I, as one Senator, would not oppose it on this measure. I want to state to the Senate now, that so far as I am personally concerned, I shall not oppose the amendment but shall vote for it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Gooding	Nelson	Stanfield
Bayard	Hale	Nicholson	Stanley
Borah	Harris	Norris	Sterling
Calder	Harrison	Overman	Sutherland
Cameron	Heflin	Page	Swanson
Capper	Hitchcock	Pepper	Trammell
Caraway	Jones, Wash.	Pittman	Wadsworth
Cummins	Kellogg	Pomerene	Walsh, Mass.
Curtis	Keyes	Rawson	Walsh, Mont.
Dial	Ladd	Reed, Pa.	Warren
Edge	La Follette	Sheppard	Weller
Ernst	McCumber	Shortridge	Willis
Fletcher	McKellar	Simmons	
George	McKinley	Smoot	
Glass	McNary	Spencer	

The VICE PRESIDENT. Fifty-seven Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. HARRISON].

Mr. SIMMONS. Mr. President, I have no disposition to delay a vote upon the pending joint resolution, although I am very much opposed to the measure; but I think it will be well to place in the RECORD a statement of the essential facts with reference to this proposed loan to the Republic of Liberia. Some of these facts may have been placed in the RECORD in the discussions we had upon the subject during the last session, and it may be repetition to put them in again, but there are certain facts connected with it which I do not think have yet been incorporated in any of the speeches or documents which have found lodgment in the CONGRESSIONAL RECORD.

I think there is some vagueness of thought with reference to the proposed loan by the United States, and I think a review of the circumstances connected with the matter will disclose that there is neither a legal obligation on the part of this Government to make this loan by reason of anything which has heretofore transpired, nor any moral obligation. If there is a moral obligation at all, it is very vague and uncertain, and to recognize it, under the circumstances, would set a precedent which would be exceedingly dangerous.

The only authority lodged in the executive branch of the Government with reference to extending credit or making loans to foreign governments, so far as I know, is that contained in the second Liberty loan act, which was approved April 24, 1917. That provision is as follows, and I read it because I want it to go in the RECORD:

That for the purpose of more effectually providing for the national security and defense and prosecuting the war by establishing credits in the United States for foreign governments, the Secretary of the Treasury, with the approval of the President, is hereby authorized, on behalf of the United States, to purchase, at par, from such foreign governments then engaged in war with the enemies of the United States, their obligations hereafter issued, bearing the same rate of interest and containing in their essentials the same terms and conditions as those of the United States issued under authority of this act; to enter into such arrangements as may be necessary or desirable for establishing such credits and for purchasing such obligations of foreign governments and for the subsequent payment thereof before maturity, but such arrangements shall provide that if any of the bonds of the United States issued and used for the purchase of such foreign obligations shall thereafter be converted into other bonds of the United States bearing a higher rate of interest than 3½ per cent per annum under the provisions of section 5 of this act, then and in that event the obligations of such foreign governments held by the United States shall be, by such foreign governments, converted in like manner and extent into obligations bearing the same rate of interest as the bonds of the United States issued under the provisions of section 5 of this act.

I will not read all of it. The part I omit relates only to the amount authorized by the act. Then comes the proviso:

*Provided, That the authority granted by this section to the Secretary of the Treasury to purchase bonds from foreign governments, as aforesaid, shall cease upon the termination of the war between the United States and the Imperial German Government.*

Mr. President, under authority of that act, in October, 1918, the Secretary of the Treasury did what he designated as establishing a credit in favor of the Government of Liberia upon the books of the Treasury, but with the understanding that that credit should not be available until the Government of Liberia complied with certain specified terms and conditions.

Before that time, on September 24, 1917, Liberia had declared war against Germany, and became by virtue of that act entitled to ask and receive credit from the United States under the authority of the act which I have read. But Liberia never did, up to the time of the actual close of the war, which was in November, 1918, comply with the terms upon which she was to have the loan. Neither did she comply with those terms up to the time when the end of the war was technically declared, which I think was in July, 1921, when the President issued his proclamation, as provided in the act, declaring that the war with Germany was at an end. There is no pretense anywhere, so far as the record discloses, that Liberia in July, 1921, had complied with the terms and conditions upon which the loan was to be made when all pretense of war and war conditions had long since passed.

Subsequently to that time and during the month of October, 1921, Liberia through her representatives entered into an agreement with the Secretary of State providing for the loan. It is presumed that she had complied with all of the conditions and requirements of the original proposition. But, however that may be, Mr. President, the fact is that the new agreement, which the Secretary of State is now asking the Congress to carry out, was a cancellation, if indeed the failure of Liberia to comply before the termination of the war was not a cancellation. In legal effect at least it was a cancellation of the original understanding, and the legislation which we are now asked to enact is legislation based upon the new agreement made between the Republic of Liberia and the executive branch of our Government. There can be, in my opinion, no pretense that the United States was under any moral obligation by virtue of the fact that in 1918 a credit was extended to Liberia upon the books, to be made available upon the performance of certain conditions, which were never performed while the act under which the credit was extended was in operation. The agreement we are now asked to ratify is an agreement made after the authority under the act by which the proposed credit was to be extended had expired by limitation of law.

If the loan is to be made, it must be made and it must stand, not upon the understandings and the conditional agreements which were entered into by Secretary McAdoo at a time when he had the right and authority to make them, and which authority expired in July, 1921. It must rest not upon that act nor anything that transpired in connection with that proposed extension of credit, but must rest upon the agreement made by the Secretary of State and concurred in by the Secretary of the Treasury in October, 1921, after the act giving authority to extend loans to foreign governments had expired and at a time when admittedly there was no authority to extend the loan except with the affirmative approval of Congress.

It is because of those facts that Congress is now asked to pass the joint resolution. It is because it is recognized that there was no authority in law to make the agreement with the Republic of Liberia that we are now asked to enact the legislation.

Again, Mr. President, I call attention to the fact that the power of the Secretary of the Treasury under the second Liberty loan act to make the foreign loans and extend the credit was limited to purposes connected with the prosecution of the war. So that unless the money that is now proposed to be loaned is to be used for the discharge of some of the indebtedness which occurred in the prosecution of the war and in Liberia's participation in the war, there are two reasons why the loan can not rest, either upon legal or moral grounds, upon the agreement made or the understanding had by the Secretary of the Treasury in 1918. First, as I have said, because the power under that act expired before the conditions upon which the credit was to be extended were complied with, and, secondly, because I think it can be shown and appears in the record that the money was not borrowed for any purpose connected with the war.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Nebraska?

Mr. SIMMONS. I yield.

Mr. NORRIS. The Senator stated a moment ago, and correctly, I think, as I understand the situation, that the theory under which the loans were to be made—and it was undoubtedly



the thing that Congress had in mind when it passed the act authorizing the making of them—was that the money should be used in carrying on the war against the common enemy. That being true, I wish to ask the Senator—and I am asking for information, because I have not been able to hear the debates which have thus far taken place—if at the time Liberia declared war against Germany there was not an understanding of some kind, either written or unwritten, that the United States would loan her this money if she would declare war against Germany? In other words, did not the Liberian Government have a tacit understanding with the American Government that if Liberia would declare war against Germany we would loan her this money?

Mr. SIMMONS. I answer the Senator unhesitatingly in the negative. There was no such understanding so far as the record discloses. Liberia declared war in September, 1917. The proposed credit extension was in October, 1918, more than a year afterwards.

Mr. NORRIS. I understand that it is not disclosed upon the face of the record, but I was wondering why Liberia declared war against Germany unless she did have such an understanding.

Mr. SIMMONS. I think I can enlighten the Senator. I believe it is a fact that the United States, through the President, did suggest to Liberia that it would be in her interest, as well as in the interest of the opponents of the Central Powers, if she would declare war against Germany, and for a reason which addressed itself more particularly to the advantage to be derived by Liberia than to any advantage accruing to the Allies. The Allies were not particularly interested in Liberia declaring war. She is a little Republic. There are few more than 2,000,000 people there, and less than 60,000 of them are civilized. But the Government of the United States has always manifested a sympathetic interest in Liberia. It is a Republic which had its origin in the immigration of American negroes to that country. The United States was interested in that country. Great Britain controlled the seas. Great Britain in 1917 was placing her interdiction upon the commerce of nearly every country in the world. She was interfering with our commerce. She was interfering with Germany's commerce with Liberia, and Liberia's trade relations with Germany at that time were very close. By reason of this action on the part of the British Government Liberia was unable to continue those trade relations with Germany. Having been cut off from her main source of traffic and international trade, Liberia was rapidly getting into a state of great economic disorder and distress, and the United States, for the purpose of advancing her interests, and because of sympathy with that Republic, suggested to her that she declare war against Germany and thereby make it possible for an interrupted intercourse with other countries to continue.

Mr. NORRIS. Then, as I understand, the suggestion really came from former President Wilson, and was made for the purpose of helping Liberia rather than of obtaining any material assistance for the Allies in the World War?

Mr. SIMMONS. It was a great help to Liberia.

Mr. NORRIS. Yes. So, in order to get the money—

Mr. CURTIS. Mr. President—

Mr. NORRIS. If the Senator will permit me first to finish with the Senator from North Carolina—

Mr. CURTIS. Certainly.

Mr. NORRIS. Liberia declared war; and then the United States Government did not give her the money. I suppose, having declared war and gone to the expense that is incident to war and having her army and navy into the war in order to help us win it—

Mr. SIMMONS. Liberia did not have any army.

Mr. NORRIS. Does the Senator think it is quite right now, when Liberia probably needs the money in order to pay pensions to her soldiers and their widows, that we should refuse to carry out an agreement which we ourselves had suggested?

Mr. SIMMONS. Mr. President, the Senator's humor is delightful. Liberia undoubtedly had a great army and a great navy, and undoubtedly a great many of her soldiers participated in the war in Europe, or, at least, the Senator's argument is based upon that theory. As a matter of fact, Mr. President, Liberia took no part, and was not in a condition to take any part, in the World War. Her declaration of war against Germany merely relieved an embarrassing international situation.

Mr. NORRIS. If it be true that Liberia did not take any part in the war, was it not really a perversion of the act of Congress for a President of the United States to suggest to a country that, for her own benefit, when she, in reality, could not help any in the war, she should declare war and thus get some of our money?

Mr. SIMMONS. Mr. President, I do not think there is anything to sustain the idea that we promised to give Liberia money if she would declare war; I have never before heard that suggestion; but after Liberia did declare war, a year after—it is true that Secretary McAdoo did; why he did it I do not know; I am not here for the purpose of arguing that, because I think it is irrelevant to the issue now before us—Secretary McAdoo did agree, under certain conditions, to extend Liberia certain credits. Those conditions were never complied with; the act under which the Secretary made the agreement or contract, if it may be so called, expired, and authority to make the contract fell with it. Then the present Secretary of State took up the matter and entered into a new agreement with Liberia, recognizing that he had no authority to do it, and he is now asking Congress to give him authority to do it.

As I said before, the question, then, is, Shall we give this authority; and if so, why shall we give it? If the obligations to discharge which she desires to use the money were obligations incurred by her during the World War on account of any assistance she rendered or attempted to render to the Allies in the prosecution of the war, there might be some reason why we should take the course which is now recommended by the Secretary of State and help this little Republic to relieve herself of the burdens assumed in the interest of the Allies in that great struggle; but, Mr. President, an examination of the record shows that this money is not to be lent and is not to be used for any such purpose.

I wish to inform the Senate exactly the purpose for which this money is to be used. It is actually proposed to create a commission to be composed of a number of high-salaried officials, with all the retainers, experts, clerks, and accountants, probably, which are incident to such commissions which we put in charge of the financial affairs of weaker governments, as in the case of Haiti, because we do not think they are able to administer them fairly and justly and equitably themselves. Nobody knows what that commission will cost, but this proposed act provides for a commission to supervise the expenditure of this money and to collect the interest upon it, I assume, by controlling the customhouse and probably collecting or supervising the collection of local taxes, as in the case of Haiti. Here are the purposes for which this money is to be expended. The statement which I shall now quote will be found on page 125 of the hearings before the Ways and Means Committee of the other House, and shows how the larger part of the \$5,000,000 is to be used:

3. Two hundred and thirty-three thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal funded debt, and the interest due thereon.

4. Three hundred and fifty thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal floating debt.

5. One million six hundred and fifty thousand dollars, or such less amount as may be necessary for the purpose of enabling the Government of Liberia to purchase or redeem all of its bonds now issued and outstanding, representing the 5 per cent sinking fund gold loan, due July 1, 1952, under the agreement for refunding loan dated March 7, 1912, between the Republic of Liberia, of the first part, and J. P. Morgan & Co., Kuhn, Loeb & Co., the National City Bank of New York, and First National Bank of New York, acting for themselves and for Robert Fleming & Co., Banque de Paris et des Pays Bas, M. M. Warburg & Co., and such payments of interests, costs of notices, and other payments or deposits, as well as payments which may be due from the Government of Liberia, under the fiscal agency agreement dated March 7, 1912, between the Republic of Liberia, of the first part, and the National City Bank of New York, of the second part, as shall be necessary to terminate all obligations of the Government of Liberia under all of said bonds or under the agreement for refunding loan or the fiscal agency agreement above mentioned, as shall entitle the Government of Liberia, in accordance with the terms of said agreement, to the cancellation and destruction of all said bonds held by the fiscal agents in the sinking fund mentioned in said agreements. Advances for this purpose shall be made at such times and in such amounts as shall be determined by the Secretary of State of the United States. It is understood that the Secretary of State of the United States may determine the best method for acquiring part or all of the aforesaid bonds, but in no event shall more than par and accrued interest be paid therefor.

6. Such amounts as may be necessary to enable the Government of Liberia to make improvements in transportation and communication facilities, sanitation, and other public works, in accordance with plans which shall have received the approval of the financial commission.

Mr. NORRIS. From what is the Senator from North Carolina reading?

Mr. SIMMONS. I am reading excerpts from the report of the hearings of the Ways and Means Committee of the House.

Mr. NORRIS. But the very nature of the testimony which the Senator is reading shows that it is taken from some agreement.

Mr. SIMMONS. Yes; I am reading excerpts from the agreement of October 28, 1921.

Mr. NORRIS. That is an agreement between our Government and Liberia?

Mr. SIMMONS. Yes, sir; that is the agreement I am talking about; the agreement entered into by Secretary Hughes.



Mr. NORRIS. That is the agreement which provides how the money shall be used?

Mr. SIMMONS. Yes; that is the agreement which Secretary Hughes has made with the Liberian Government, and this loan is to be made, according to this agreement, for the purpose of paying these old debts of Liberia, practically all of them antedating the World War. All of the debts due to big New York bankers and corporations run back as far as 1912.

Mr. WALSH of Massachusetts. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Massachusetts?

Mr. SIMMONS. I yield.

Mr. WALSH of Massachusetts. I was going to state for the record, in answer to the Senator from Nebraska, that the quotation which the Senator from North Carolina has read is from a copy of the "Financial plan and depository agreement signed by the Secretary of State and the Liberian Plenary Commission on October 28, 1921."

Mr. SIMMONS. Yes; I stated that. What I read were simply excerpts from that agreement, incorporated in the hearings before the Ways and Means Committee.

Mr. OWEN. Was the agreement made in 1921?

Mr. WALSH of Massachusetts. On October 28, 1921, the agreement was made by the Secretary of State and representatives of the Liberian Government, which agreement was not to become effective until action by Congress by resolution or bill.

Mr. OWEN. So that the agreement was entered into three years after the war.

Mr. SIMMONS. Three years after the war actually closed, and several months after the President of the United States declared by a proclamation that the war with Germany was at an end. So there can not be any contention that this agreement has any authority under the second Liberty loan act or any other war measure.

Mr. SMOOT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. SMOOT. Do I understand the Senator to claim that there was not a moral obligation to advance this money carried over from the former administration, and that Secretary Hughes honored that moral obligation?

Mr. SIMMONS. The Senator was not here when I was discussing that phase of the question.

Mr. SMOOT. No. I ask the question because of the question asked by the Senator from Oklahoma [Mr. OWEN]. The fact of the case is that there was a moral obligation.

Mr. SIMMONS. I have already gone over that, and I dislike very much to have to go over it again, but I will do so if it is desired. There was no moral obligation.

Mr. SMOOT. I will not ask the Senator to do so.

Mr. SIMMONS. I stated that in my judgment there was no moral obligation, as there clearly is no legal obligation, on the part of the United States to lend this money. There was an agreement undoubtedly made during the war by Secretary McAdoo that he would extend—that is as far as it went—to the Republic of Liberia a certain credit whenever that Government complied with certain terms and conditions. That agreement was made in 1918; and in 1921, when the President declared by proclamation that the war was ended, Liberia had not complied with those terms. There was no pretense that she had complied with those terms; and the war which the loan was to be made to aid, as the country understood and as I have no doubt Secretary McAdoo understood, had ended. If Liberia needed it for the purpose of helping in the prosecution of the war—and the Secretary of the Treasury, upon the face of the act conferring authority, had no power to grant credit unless it was for the purpose of helping in the prosecution of the war—what moral claim can she lay to it when she waits to comply with the conditions until after the war has been fought out and won and declared finally at an end?

Mr. OWEN. Mr. President—

Mr. NORRIS. But she was in the war all the time, the Senator must remember, and helped to win it. We probably would not have won it if she had not come in. The Senator ought not to forget that.

Mr. OWEN. Mr. President, does the Senator from North Carolina yield to me?

Mr. SIMMONS. I yield to the Senator from Oklahoma.

Mr. OWEN. I wish to remind the Senator from North Carolina that at that time the then Secretary of the Treasury, now the junior Senator from Virginia [Mr. GLASS], expressly stated to the Department of State that there was no moral obligation. I think that is in the record, and I think the Senator from Virginia stated that on the floor of the Senate.

Mr. SIMMONS. The Senator is right. I was going to read that statement. That statement was made, as I understand, in connection with a letter written to the then Secretary of the Treasury, now the Senator from Virginia [Mr. GLASS], by Mr. Lansing. The Senator from Virginia said—and I quote from his speech made in this Chamber discussing this very question—speaking of Secretary Lansing's statement:

Mr. President, it is that statement of the Secretary of State which I desire to repeat I did not accept. I totally dissented from that view.

The Secretary had expressed the opinion that there was a moral obligation.

Not only that, but I thought the \$26,000 which had already been advanced to Liberia was the only item in all of the credits established by this Government that could not be justified.

Mr. President, I do not know what information was before Secretary McAdoo when he agreed to extend this credit, but I know this: Secretary McAdoo is a great lawyer. I know that Secretary McAdoo was entirely familiar with the act from which he derived his power, and I know that Secretary McAdoo in all probability would not have agreed to extend that credit to Liberia except upon the understanding that it was to be used by her in connection with the prosecution of the war, because that was the limitation upon his power; and I know the further fact, Mr. President, that notwithstanding this money was there, ready to be lent by the Secretary when Liberia complied with the ordinary conditions which were exacted of her and other foreign Governments seeking loans, she let the matter rest until the war had ended and until another administration had come into power and formal peace had been declared; and then she comes here and asks for the money, not for the purpose of aiding in the prosecution of the war, not for a purpose in which the United States has an interest, but for the purpose of paying her old debts, contracted in 1912, in favor of J. P. Morgan & Co. of New York, Kuhn, Loeb & Co. of New York, M. M. Warburg & Co. of New York, and the National City Bank of New York. This resolution would better be entitled, Mr. President, "a joint resolution to pay a bad debt of an insolvent debtor of J. P. Morgan and Kuhn, Loeb & Co.," rather than to relieve the downtrodden and distressed Republic of Liberia.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Tennessee?

Mr. SIMMONS. I do.

Mr. McKELLAR. I think the facts would justify an amendment to the Senator's proposed title to this joint resolution, in addition to what he has said, and this is, to create additional jobs for a number of those who want them.

Mr. SIMMONS. Oh, yes; there are jobs aplenty in this proposition. Of course, when we went down here into Haiti—

Mr. McKELLAR. There are more, I think, in this measure than have been provided for in any other measure of like kind in recent years.

Mr. NORRIS. Well, we need the jobs, all right, Mr. President. That ought to be offered as another argument in favor of it. There are lots of fellows who are going to need jobs.

Mr. SIMMONS. I concede that. I concede that Republicans are at all times in need of Federal jobs.

Mr. NORRIS. Yes; and occasionally a Democrat.

Mr. SIMMONS. But just at this particular time, when the Republican Party has a superabundance of lame ducks on its hands, it is most particularly and especially appropriate to make places for them.

Mr. NORRIS. Is not that a good reason for making places and having some more jobs available?

Mr. SIMMONS. The Senator is exactly right, as he generally is.

The loan agreement provides that a commission of American citizens at high salaries shall go to Liberia and act as fiscal agents. How many retainers and employees this commission will have to have nobody can tell. During the war Liberia had apparently abandoned all of this scheme. She let it lie dormant while the war was going on, and for three long years did not make a move to get this money, although it was there awaiting her. As long as the old administration remained in power there was not an effort to get this money. Now, however, she comes here and asks for it; and when it becomes necessary for her to lay her cards upon the table and show what she wants with it—the war meantime having expired and Liberia not having pressed her claim for the money while the war was going on—when she is asked to say what she is going to do with the money, she says, "I want it to enable me to pay debts which I owe these New York bankers and which were contracted in 1912."

Mr. NORRIS. Mr. President, the Senator has said that this measure will provide a whole lot of jobs for lame ducks, and yet



he seems to criticize Liberia for not crowding her claim and getting her money while the Democrats were still in power.

Mr. SIMMONS. We did not have any lame ducks when we were in power.

Mr. NORRIS. Yes; you had a whole lot of them just after you went out of power.

Mr. SIMMONS. That was after we went out; not while we were in.

Mr. NORRIS. If you were not shrewd enough to get these jobs for your lame ducks, you ought not to complain now because we are going to get them for our lame ducks.

Mr. SIMMONS. I have no doubt that you are going to get them. You have an immense mass of legislation pending here right now to make jobs for your lame ducks.

Mr. NORRIS. Well, we need it.

Mr. SIMMONS. I know you do. I appreciate your situation. I have profound sympathy with you, and I should like to help you all I can; but I do not think you ought to ask a distressed and overtaxed people to furnish the money with which to give employment to your lame ducks.

Mr. NORRIS. It seems to me the Senator is really feeling badly because it was not gotten in time. He seems to complain that Liberia did not get this money of Democrats, and is now going to get it of Republicans. You missed your opportunity. We picked it up. Your lame ducks had to go without jobs, and we are going to do better with ours.

Mr. SIMMONS. During the Democratic administration the tide of prosperity in this country ran so high that it was difficult to get a man to take a Federal job. The men were making so much money, every man was so busy carrying on his business enterprises, the tide of prosperity was so high, that nobody wanted these offices. Lame ducks could just step right down the street and get employment at a better salary than the Federal Government was paying. The Federal Government was not paying one-fourth as much as some business enterprises in this country were paying for the same talent.

Mr. NORRIS. No. In other words, the country was full of profiteers, and they did not need jobs.

Mr. SIMMONS. Yes; we had profiteers, as we have profiteers now. Good times will make profiteers. Bad times generally dispense with profiteers to a certain extent, and that is the reason why you passed your tariff bill—in order to give the profiteers another opportunity.

Mr. NORRIS. The profiteers were getting hard up. Since the Democrats went out of power they had lost their occupation, and it took a tariff bill to give it back to them.

Mr. SIMMONS. I give it up, Mr. President.

Mr. CURTIS. Mr. President, I think it only fair to state to the Senate—I think the Senator from North Carolina wanted to be fair, but he has forgotten—that it is admitted on all sides, in the departments at least, that Liberia entered the war at the request of the United States, Great Britain, and France. At the time she entered the war 85 per cent of her business was being done by the Germans. They virtually had control of the islands, and they had control of the wireless station. They were controlling some of the exports which the British Government and the other allies needed; and the three powers wanted Liberia to go into the war to help them, or, rather, not to be of any assistance to Germany by reason of the use of the wireless station and the cutting off of Great Britain from the use of some of the products of the country.

Liberia declared war against Germany in August, 1917. In January, 1918, this loan was asked for. In July it was recommended by the Secretary of State and approved by the President, and Liberia was notified that she had been given credit to the extent of \$5,000,000. France was notified that the credit had been established. Great Britain was notified that the credit had been established.

It is true that with the proposition notifying the Liberian Government there were submitted certain conditions upon which this loan was to be made. Those conditions were unsatisfactory; but we are told by the department that they continued to ask for changes in those conditions and to ask for the advancement of the money. That is stated in letters from the department.

I am not going all over this matter again, because I covered it fully before; but Secretary Lansing says there is a moral obligation to make the loan. Secretary Hughes, when this matter was presented to the committee of the House, stated that there was a moral obligation to make the loan. The bill has passed the House and is here with a favorable report from the committee, the committee believing that there was a moral obligation on the part of the Government to carry out the agreement made during President Wilson's administration, and it is

on that question we are asking for a vote. I am not going to take any further time.

Mr. McKELLAR. Mr. President, I am opposed to the pending joint resolution and expect to vote against it. I do not think there is the slightest moral obligation on the part of the United States to make this loan. It is admitted that there is not the slightest legal obligation on the part of the United States to make the loan. Under the terms upon which it is going to be made, if made, it will not do the people of Liberia any good. Why? There has been an agreement made by the State Department with Liberia concerning the disposition of the money. We are to lend them \$5,000,000. This agreement will give Liberia little money. I want to read what is to become of two million of it:

(b) A new arrangement for that purpose shall be made between the Government of Liberia and the Government of the United States.

3. Two hundred and thirty-three thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal funded debt and the interest due thereon.

4. Three hundred and fifty thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal floating debt.

5. One million six hundred and fifty thousand dollars, or such less amount as may be necessary for the purpose of enabling the Government of Liberia to purchase or redeem all of its bonds now issued and outstanding representing the 5 per cent sinking-fund gold loan, due July 1, 1952, under the agreement for refunding loan dated March 7, 1912, between the Republic of Liberia, of the first part, and J. P. Morgan & Co.; Kuhn, Loeb & Co.; the National City Bank of New York; and First National Bank of New York, acting for themselves and for Robert Fleming & Co., Banque de Paris et des Pays Bas; M. M. Warburg & Co.; and Hope & Co., and for others, of the second part, including such payments of interest, costs of notices, and other payments or deposits, as well as payments which may be due from the Government of Liberia under the fiscal agency agreement dated March 7, 1912, between the Republic of Liberia, of the first part, and the National City Bank of New York, of the second part, as shall be necessary to terminate all obligations of the Government of Liberia under all of said bonds or under the agreements for refunding loan or the fiscal agency agreement above mentioned, as shall entitle the Government of Liberia in accordance with the terms of said agreement to the cancellation and destruction of all said bonds held by the fiscal agents in the sinking fund mentioned in said agreement. Advances for this purpose shall be made at such times and in such amounts as shall be determined by the Secretary of State of the United States. It is understood that the Secretary of State of the United States may determine the best method for acquiring part or all of the aforesaid bonds, but in no event shall more than par and accrued interest be paid therefor.

Evidently nearly \$2,000,000 of this money is to be used in taking up bonds and other obligations which apparently, according to this agreement, have been acquired in some way by certain banking firms in New York. In other words, these gentlemen in New York have made an investment in Liberia and the United States is going to make that investment good. That is the real purpose of this bill. It comes here after the war. It is presented here under the excuse that we owe a moral obligation to Liberia for her aid to us in helping win the World War. It is ridiculous to talk about Liberia helping the United States to win the World War, and our having a moral obligation to lend them this money on account thereof. We call it lending, but what is really meant is to give to the people of Liberia, or to the Government of Liberia, this \$5,000,000 for such purposes.

Mr. NORRIS. Mr. President, neither the Senator from Tennessee nor the Senator from North Carolina has given us any information as to who is the owner of the two first amounts the Senator read. Can the Senator give us any information in regard to that?

Mr. McKELLAR. I can not. I sent to the House for the hearings, and I was informed that they had been destroyed. That was the report I received. I do not understand why these hearings were destroyed. It is possible there may be some of the hearings in the possession of other Senators, but I have been unable to get a copy of the hearings, and I am reading from the hearings as quoted in the Record some time ago.

I do not think it is obligatory upon the United States to make good these loans of these various banking firms in New York City. I do not think we have a right to. There is much talk about moral right. We have no moral right to dispose of the people's money in any such way. I owe debts, and other Senators owe debts, I have no doubt, which we would be very glad indeed to have the United States Government pay for us. Some of us have bad debts due to us, and we would be very glad to have the Government lend our debtors the amounts of money so that they could pay us. But we all know that the people's money should not be used for such a purpose. That is what we are asked to do by this bill. Do not let us fool ourselves for a moment. That is precisely what we are asked to do with \$2,000,000 of the people's money. We are to make good to these firms in New York who may have bought these bonds. We do not know what they paid for them. We do not know whether they paid 10 cents on the dollar, or 20 cents on the



dollar, or 50 cents on the dollar for them. I can only say that if they paid over 10 cents on the dollar for them they were very poor business men, because the revenues of Liberia do not warrant the paying of any more than that for Liberian bonds.

What becomes of the other three million? I doubt very much whether it goes to the people of Liberia. If the people of Liberia get any money under the so-called moral agreement we will have to appropriate sums in the future for them. It can not come out of this appropriation.

Let us see to whom it is to go.

The Government of Liberia further engages—

That is, engages with our Government under this proposed agreement—

1. That, for the purpose of securing the United States loan, the control during the life of the United States loan of the collection—

During the life of it. I do not recall how long this loan is made for. We will see about that in just a moment. It does not say. There is no time given for paying it back. They do not expect it to be paid back. There is not a man who votes for it who expects this loan will ever be paid back. It is substantially and effectively nothing more than a gift. We all know it is a gift.

Mr. CURTIS. Mr. President, the Senator is not warranted in making that statement. I do not think there is a man who is going to vote for the measure who does not believe the money will be paid back. There is no one who does not know that there is sufficient property in Liberia to pay it back. When the Senator says there are no revenues in Liberia to justify this loan he forgets that when the agreement was made the revenues of Liberia amounted to nearly \$500,000, and they dropped off during the war period to \$200,000.

Mr. McKELLAR. The hearings as quoted here do not bear out the statement of my distinguished friend.

Mr. CURTIS. I have the official figures, if the Senator wants them put in the RECORD.

Mr. McKELLAR. I will put them in the RECORD. I call the attention of the Senator to the joint resolution itself. It provides that the Secretary of the Treasury "is hereby authorized to purchase from that Government its obligations hereafter issued, bearing such rate or rates of interest, maturing at such date or dates, and containing such terms and conditions as the Secretary may from time to time determine."

What are we buying? These bonds can bear 1 per cent or they can bear no interest at all. Any disposition can be made of them, and we all know that it is a gift, absolutely a gift, two million of it going to these bankers in New York, who would no doubt like to have the money on the bonds they have invested in heretofore; the remainder of it not going to the people of Liberia, but I now call attention to those to whom it will go:

That, for the purpose of securing the United States loan, the control during the life of the United States loan—

During the life of the loan; and the loan is virtually made perpetual. We are establishing offices here which will remain long after all of us are dead and gone, and then other generations which have come will go, and these offices and these payments and these officials will still go on. I repeat:

The Government of Liberia further engages:

1. That, for the purpose of securing the United States loan, the control during the life of the United States loan of the collection, application, and administration of all the assigned revenues and receipts in accordance with the present plan shall be vested in the financial commission, the administration of which shall be under the direction and control of the financial commissioner or, during his absence, of the next ranking member of the financial commission. The financial commission shall be composed of a financial commissioner, at a salary of \$15,000 per annum; a deputy financial commissioner, at \$10,000 per annum; an auditor, at \$6,000 per annum; three administrative assistants of class 1, at \$6,000 per annum, to be assigned, respectively, as controller general of customs, commissioner general of the interior, and director general of sanitation; 10 administrative assistants of class 2, at \$4,000 per annum, to be assigned, respectively, as follows: Three controllers of customs, three district commissioners, two technical advisers (roads and ports), an accountant, and an agricultural adviser; and two administrative assistants of class 3, at \$3,000 per annum, to be assigned, respectively, as follows: One postal-revenue officer and one clerk assistant. All members of the financial commission shall be designated by the President of the United States, to serve during his pleasure, and shall be appointed by the President of Liberia. The administrative assistants shall be under the direction and supervision of the financial commission, which shall be organized and function according to methods of procedure to be approved by the Secretary of State of the United States.

The financial commissioner, the deputy financial commissioner, and such other members of the financial commission as may be charged with the collection, application, or administration of moneys under the provisions of the present plan shall give adequate bond. All premiums on bonds executed by the aforesaid officials shall be considered a part of the expenses of the financial commission.

Mr. SIMMONS. May I ask the Senator a question?

Mr. McKELLAR. Certainly.

Mr. SIMMONS. Does not the Senator believe that an official force of the size indicated by what he has read from the RECORD would cost the Government every year something like a third or a half of the total amount of this loan?

Mr. McKELLAR. With this tremendous corps of assistants and officers, the people of Liberia will never get any advantage out of this loan at all, and I doubt if they will be able to tax themselves enough to pay the deficit in salaries, if they have to pay the deficit, to our own appointees. I do not know what the facts are about that.

Mr. CURTIS. Mr. President, with the Senator's permission, I would like to put the exact figures as to the revenues into the RECORD.

Mr. McKELLAR. I hope the Senator will, because I was just coming to that.

Mr. CURTIS. In 1913 the revenues were \$485,639. They dropped in 1917, during the war, to \$163,000. They went back in 1920 to \$346,000.

Mr. McKELLAR. In 1920 and 1921 they amounted to \$163,000. That would not anything like pay the interest. It would not pay the interest on what we turn over to them. That would not pay the interest on the salaries we are going to pay our own officers for looking after it.

If we pass the pending joint resolution we will make ourselves the legislative laughingstock of all the legislative bodies of the world and pay out the money of the already overburdened taxpayers for a purpose for which we have no moral right to appropriate it. It is a measure which should not receive a single vote in this body. There is not the sign of a legal obligation on us to make the loan.

There is not a sign of a moral obligation upon us to make the loan and it is being done only for the powerful interests in New York which are demanding that they be given this opportunity to filch from the Public Treasury the amount that Liberia owes to them, and the purpose also of the resolution is to give jobs to a lot of needy men, no doubt. I have no doubt the men need the jobs, and if we are in the business of creating jobs for the benefit of the favored few, let us go on and pass the measure, but I think we will be called to account by the American people for this great and unauthorized and indefensible waste of the people's money for any such purpose.

Mr. DIAL. Mr. President—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from South Carolina?

Mr. McKELLAR. I yield.

Mr. DIAL. Have we had a very happy experience in collecting what we loaned to other governments? Should our experience in those instances encourage us to lend to the Government of Liberia?

Mr. McKELLAR. The Senator is exactly right. I have heard distinguished Senators on this floor say that they were utterly opposed to the collection even of the interest on the war debts from such nations as Great Britain, France, and Italy. What will those Senators say when it comes to collecting this debt from the poor people of Liberia? By the way, it can not be urged here that the measure is for the benefit of the people of Liberia, because it is not. The people of Liberia are not going to get anything out of it. The only people who will get anything out of the appropriation made under the pending measure are the financial interests in New York, who want to recoup their bad debts by having the United States pay them, and the officeholders whom we are going to appoint under the provisions of the joint resolution. Is there any doubt about it? There is not a Senator on the floor on either side of the Chamber who has any doubt about that fact. We all know it. It is unjustifiable and we ought not for a moment to think of passing the measure, and I hope that it will not pass. I intend to vote against it.

Mr. WALSH of Massachusetts. Mr. President, disregarding the statute authorizing foreign loans, I would not feel so certain of the absence of any moral obligation to Liberia. I think, had Liberia contracted debts for the purpose of prosecuting the war after notice had been given that the credit of \$5,000,000 had been made, the claim of a moral obligation might be made with more justification. But this Liberia had not done.

Mr. GLASS and Mr. McKELLAR addressed the Chair.

The VICE PRESIDENT. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. WALSH of Massachusetts. I will yield in just a moment. I do not understand that Liberia asks for the money now or expects it to be loaned to meet any debts whatever incurred by Liberia in assisting in the prosecution of the war. I yield now to the Senator from Virginia.

Mr. GLASS. I merely desire to say that I could wish that Senators would speak more accurately about this matter.



When they undertake to state that a credit was established, I contest the statement. A conditional credit was established, and the conditions never have been complied with to this day. There is not an item in the account rendered that relates itself to the prosecution of the war or to the security of this Government in the war. Then how can there be any moral obligation?

If the Senator will pardon me further a moment, the present Secretary of State clearly recognized that fact in his letter to the former chairman of the Finance Committee, Mr. Penrose, when he said:

In view of the time which has elapsed since the establishment of the credit, the question which well might be raised as to the propriety at this time of advancing the money to Liberia as a war measure.

If there is anything in the statute that would authorize the advancement of the money by this Government to Liberia except for war purposes, I would be obliged if some Senator would point it out.

Mr. POMERENE. Will the Senator from Virginia advise us as to the date of the letter of the Secretary of State from which he has just read?

Mr. GLASS. It was written June 22, 1921. The whole basis of the proposed conditional credit must relate itself to the statute authorizing the credit, and the statute authorizes a credit only for war purposes, only for the prosecution of the war. Yet here we have a joint resolution that has nothing on earth to do with the prosecution of the war. It is a measure to refund a credit that was contracted quite 10 years before the United States ever entered into the war. A moral obligation does not necessarily exist because a man may say it exists. He must give some reason for his point of view, and no reason has ever been given.

It has been suggested here that the President of the United States promised Liberia a loan of \$5,000,000 if she went into the war. There is not a semblance of truth in that statement. This Government did not have to bribe a little cross-roads nation with \$5,000,000 to have it enter with us into the war. There was no such promise made, and the conditional credit was based upon the statute.

Mr. POMERENE. Mr. President, will the Senator from Massachusetts yield that I may ask the Senator from Virginia a question?

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH of Massachusetts. Certainly.

Mr. POMERENE. I have been trying to get a copy of the hearings, but I have been advised that they are out of print, and for that reason I wish to ask the Senator two questions. He speaks of this as being a conditional credit, but has not stated what the conditions were. Will he state the conditions? Secondly, assuming that there were conditions, what were the reasons why they were not complied with?

Mr. GLASS. The war ended in less than a month after the conditions were presented. I will say to the Senator that the conditional credit was authorized by my predecessor and I do not just now recall the details as to the conditions, but I do very distinctly recall the fact that the conditions not having been complied with, when the mission came to this country from Liberia after I had succeeded to the post of Secretary of the Treasury, I declined to have any official communication with the commission.

Mr. WALSH of Massachusetts. May I ask the Senator a question? Regardless of whether the credit extended was conditional or not, does the Senator agree with me that if Liberia actually did not expend any money for prosecuting the war, the United States is not bound to loan the money?

Mr. GLASS. If Liberia, a poor, weak nation, had expended this amount or any other serious amount in the prosecution of the war, as a matter of equity the United States might reimburse her. But there is not an item in the account rendered that has any relation whatever to the prosecution of the war.

Mr. WALSH of Massachusetts. I am quite in accord with the Senator. That is the reason why I am arguing that we are not bound by any obligation. I am arguing that we should not authorize this loan, because actually no contracts were entered into and no expenses incurred by Liberia to prosecute the war, regardless of whether the credit was conditional or absolute. If the war ended without her spending a dollar, we are not bound to loan the money to her, because no officials of our Government could loan or agree to loan any foreign Government for any other purpose.

Mr. GLASS. Liberia entered the war because it was to the interest of Liberia to enter the war. She entered the war to be

protected by the Navies of Great Britain and the United States against the ravages of the German nation in proximity to her territory. That is the reason why she entered the war. She was not induced to enter by any promise of a loan, and the only credit ever established or that ever could have been established must have been a credit under the statute relating to the prosecution of the war.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. WALSH of Massachusetts. I yield.

Mr. SIMMONS. I heartily concur with the Senator from Massachusetts. If the Government of the United States had promised to loan Liberia \$5,000,000 to help them in the prosecution of the war and had failed to loan it for any reason whatsoever during the war, and they were to come now to us and say, "Relying upon that promise, we expended this money, we incurred this amount of indebtedness, and we ask that you in good faith keep your promise and loan us the money," I think that would constitute not a legal obligation but a moral obligation which would impel action on our part.

Mr. GLASS. It would be a moral obligation attached to which there could be no sort of question of propriety. The present Secretary of State himself actually said that he realizes that grave questions of propriety might properly intervene as objections to the loan. How could a question of propriety lie against a moral obligation? The two suggestions from the same source are absolutely contradictory. If it is a moral obligation, there could be no question of propriety in meeting the moral obligation.

Mr. SIMMONS. If the Senator will pardon me for restating my position, the point I was making was, that the war having ended, Liberia does not come to us and say, "We want money to pay obligations which we incurred relying upon your promise," but she comes and says, "We want to borrow from you \$5,000,000 to pay some old debts that we owe certain great financial interests in the city of New York contracted some time during the year 1912."

Mr. POMERENE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH of Massachusetts. I yield.

Mr. POMERENE. Am I to understand the Senator from North Carolina to take the position that Liberia is asking for this loan now purely as a loan and without reference to any so-called moral obligation that may have existed before this time?

Mr. SIMMONS. The very agreement entered into between Liberia and Secretary of State Hughes specifies that the money is to be loaned and to be used in the liquidation of old debts due certain individuals and bankers by the Liberian Government some five or six years before the United States entered into the war.

Mr. WALSH of Massachusetts. Mr. President, my purpose in asserting that I did not feel as strongly as some others that there was not a moral obligation was because of my understanding from correspondence that took place it might well be argued, if one disregarded the law authorizing foreign loans, that there was such an obligation, that it might well be interpreted to place a moral obligation upon our country. Personally I do not think there is, because, regardless of whether the credit was absolute or conditional, Liberia did not incur any expense whatever in the prosecution of the war; and did not come to us until after the war, in June, 1920, and then asked us to advance her money on the credit claimed to have been extended to pay bills which she owed long before the war and for the purpose of new developments.

The language used in the note which passed between the President and the Secretary of State in 1918 and the language used in the note of August 27, 1918, from the Treasury Department to the Secretary of State does not appear to make the credit a conditional one. An extract from that note is as follows:

Referring to our previous correspondence in relation to a loan to the Republic of Liberia, the President has approved the establishment of a credit in favor of the Liberian Government in the amount of \$5,000,000.

Other references in the correspondence which passed seem to give reason for the belief on the part of foreign countries that the credit was not a conditional one. It is true, however, as the Senator from Virginia [Mr. GLASS] has said, that Secretary of State Lansing did write a communication to the Liberian Government setting forth certain conditions that would have to be complied with before the loan was consummated, and that those conditions were not complied with.



Mr. GLASS. And that fact was communicated to other Governments.

Mr. WALSH of Massachusetts. I did not know that; I do not find that in the correspondence which is in the record. I am glad the Senator adds that, but the letter which Secretary Lansing wrote to the Liberian Government on September 12, 1918, shows that the money was available on certain conditions, which it appears were not met.

Mr. McKELLAR. Will the Senator from Massachusetts yield to me?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WALSH of Massachusetts. Yes.

Mr. McKELLAR. Has the Senator from Massachusetts before him the proposed agreement made by Mr. Secretary Hughes with the Government of Liberia in reference to this loan?

Mr. WALSH of Massachusetts. Yes.

Mr. McKELLAR. Does it refer in any way at all to the supposed obligation?

Mr. WALSH of Massachusetts. I glanced over it hurriedly for the very purpose of ascertaining if it referred to any previous obligation, and I do not find any language in it that couples it with any previous obligation.

Mr. McKELLAR. As I understand the agreement, an entirely new arrangement which was made or proposed to be made since the war?

Mr. WALSH of Massachusetts. I so understand.

Mr. President, I took the floor for two purposes—first, to bring out and to put into the Record the authority given to United States officials to loan money to foreign Governments. That authority seems to be limited to the loaning of money for the purposes of our national security and defense and prosecuting the war. The second purpose for my rising was to put into the Record some of the testimony presented before the Ways and Means Committee of the House at the time the hearings were held on March 22 and March 24, 1922. I should like to have the testimony and cross-examination of Mr. Fred Morris Dearing, acting Assistant Secretary of State, and Mr. Harry A. McBride, American consul, detailed in the Department of State, from page 5 to page 11 inserted in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Mr. FREAR. In order to get at the matter from the beginning: First, Liberia has between 40,000 and 50,000 civilized negroes?

Mr. DEARING. Yes.

Mr. FREAR. And about a million or more uncivilized, and their territory is about 200 miles square in area. In 1871 a loan was made and Liberia said that they were not getting any fair return from that loan. The loan amounted to \$440,000. Am I right about that?

Mr. DEARING. I think that is about right.

Mr. FREAR. Then matters went on until this commission went over in 1909 and made their report, and that commission recommended—it ought to be put in the record, I suppose—that commission recommended additional loans be made to Liberia, and that Liberia be financed. Then a loan was made, of which you speak, I assume. There was a loan of \$460,000, or something like that, in 1910, I believe.

Now, they did not take up the 1871 loan. That loan of 1871 has never been funded, or refunded, and has not been paid. Is that not true?

Mr. DEARING. I think that I will have to ask Mr. McBride to report on that.

Mr. McBRIDE. No, sir; the 1912 loan, of which the National City Bank of New York was the fiscal agent, covered the refunding of the loan of 1871 and other outstanding indebtedness.

Mr. FREAR. Well, did it include the 1871 loan?

Mr. McBRIDE. Yes, sir; the amount which was loaned to Liberia, namely, the \$1,700,000, refunded and repaid all foreign loans, including the loan of 1871.

Mr. FREAR. That does not appear in the record, so far as I can ascertain.

Mr. DEARING. Yes, sir.

Mr. FREAR. Well, then, from that date the National City Bank, and Mr. Morgan, and Kuhn, Loeb & Co., and others you mention here, assumed the indebtedness of \$1,600,000 or \$1,700,000; that is to say, they loaned money to take up these various Liberian loans.

The next step, as I understand, in June, 1918—

Mr. GARNER (interposing). Mr. Frear, while the gentleman nods, the record does not show what his answer is to your questions.

Mr. FREAR. No; just answer the question so the reporter can get the answer.

Mr. DEARING. Certainly. I beg your pardon.

Mr. FREAR. Then, in 1918, in the month of June or thereabouts, negotiations were started to help the Liberian situation because of desperate straits financially; that is, she made that claim. That was before any question of her action regarding the war was taken.

Mr. DEARING. Liberia declared war in August, 1917.

Mr. FREAR. In September, two months before the signing of the armistice, this Government, or people representing this Government, made strong advances to secure at that time this \$5,000,000 proposal; that is, this loan for Liberia?

Mr. DEARING. Yes, sir.

Mr. FREAR. That was, as I say, just prior to the end of the war. Nothing more was done regarding the loan until June, 1920, by Liberia; and the reason advanced, as I get from the record, is that the conditions or terms imposed were not satisfactory, and Liberia refused to take action until 1920, in June. That was over a year and a half after the conclusion of the war.

Mr. DEARING. Yes, sir.

Mr. FREAR. Now, Liberia's action during the war was not to help the United States and the Allies, as I gather; but the United States intervened and suggested that she declare war in order to help her own conditions, her own commerce, and we intervened so that Great Britain would cease interfering with that commerce. Now, is not that right? It was to help Liberia that the United States intervened and persuaded Great Britain at that time to allow Liberia's commerce to continue; is not that right?

Mr. McBRIDE. Well, that is so to this extent: On the west coast of Africa, after the enemy submarine campaign became very effective, there was only one ship every six months, or thereabouts, calling at Monrovia, and the only reason that Great Britain would send a vessel there was for the purpose of leaving food and things of that sort.

Mr. FREAR. Well, of course, Liberia had no vessels, had no army, had no navy, and the effect of this declaration of war was in the interest of Liberia and not to the interest of the Allies, so far as I have been able to discover reasons from the report.

Mr. McBRIDE. I hardly believe that it can be stated to have been in the interest of Liberia, because Liberia in taking this action to enter the war, lost immediately 85 per cent of her trade, and Liberia was bombarded by German submarines.

Mr. FREAR. Now, where was that trade going at that time?

Mr. McBRIDE. There were many German merchants in Liberia. There were about a dozen merchants in Monrovia, and nine of them were German. I think—eight or nine—and practically all of their exports, and all of their produce, that was brought from the interior, was bought by the German merchants, who exported the produce.

Mr. FREAR. On what kind of vessels?

Mr. McBRIDE. German, English, Spanish, and French.

Mr. FREAR. Were the Germans shipping this material during the war on English vessels?

Mr. McBRIDE. No; not during the war.

Mr. FREAR. Well, of course, the declaration of war on the part of the United States occurred on April 6, 1917. It was subsequent to that time before Liberia declared war, and by that time, of course, the commerce had decreased steadily, I gather from this report.

Now, the loan of the National City Bank, and also representing that due the British and other interests, that is all to be taken care of out of this \$5,000,000 loan?

Mr. DEARING. Yes, sir.

Mr. FREAR. I want to see whether I am right about this. The agreement provides and Liberia, I think, has agreed to the condition that the United States shall, through our President, appoint a financial commissioner at \$15,000 and an assistant at \$10,000, an auditor at \$6,000, and numerous other officials, who will administer the financial conditions at Liberia.

Mr. DEARING. Yes, sir.

Mr. FREAR. The effect of that is that these debts that now exist, and which are not at par—are the Liberian bonds selling at par to-day, the Liberian securities?

Mr. DEARING. No; they are below par.

Mr. FREAR. Do you know at what figure they are selling?

Mr. DEARING. Can you answer that question, Mr. McBride?

Mr. McBRIDE. About 98 or 99.

Mr. FREAR. At about 98 or 99. What interest do they bear?

Mr. McBRIDE. Five per cent.

Mr. GARNER. When did they sell at that?

Mr. McBRIDE. They have been at that figure since, as a matter of fact, since the \$5,000,000 loan was first announced to Liberia. Before that I think they were selling for about 75 to 80, and sometimes going up as high as 85.

Mr. FREAR. They are receiving that quotation now for their securities by reason of the prestige given on account of this \$5,000,000 loan?

Mr. McBRIDE. I think so; yes.

Mr. FREAR. One further question I have in mind, and that is under the law to secure this loan Liberia must pay this financial commissioner \$15,000, the assistant \$10,000, and an auditor \$6,000, and that commission, consisting of the commissioner, the assistant, together with a man representing the Liberian treasury, who will determine the value of these securities. That is true, is it not?

Mr. McBRIDE. No, sir.

Mr. DEARING. We do not see how they could determine the value of them.

Mr. FREAR. Well, the settlement is to be had out of the \$5,000,000; is that right?

Mr. McBRIDE. I do not understand just what you mean by "determine the value of the securities."

Mr. FREAR. On what basis they shall be taken up.

Mr. McBRIDE. The law and the agreement of 1912 stipulates that they shall be redeemed at 102½ per cent up to July 1, 1922, and thereafter may be redeemed at par.

Mr. FREAR. Now, here is a proviso in this pamphlet, under Article VII, page 75, which provides:

"None of the provisions of the present plan shall be deemed or construed to create any trust or obligation in favor of any holder of any of the outstanding obligations of indebtedness of Liberia or in favor of any owner of the coupons or claim for interest on, or in respect of, any thereof, or in favor of any holder of any claims against Liberia. Any and all claims against the Government of Liberia, which may not be charged under the provisions of clauses 3, 4, and 5 of Article I of the present plan shall be submitted to a claims commission composed of the secretary of the treasury of Liberia, the auditor and financial commissioner. This claims commission shall have power to determine the validity of any and all such claims and its decision shall be binding."

Now, Articles III, IV, and V relate to the specific debts?

Mr. McBRIDE. Yes; those relate to the specific debts of Liberia. The claims commission would, I understand, only deal with indebtedness or claims not provided for in the plan.

Mr. FREAR. In other words, Liberia has one commissioner and the United States has two; Liberia has one vote and the United States has two votes in the allocation of the money. That is true, is it not?

Mr. McBRIDE. Except for the fact that these men are not appointed by the President of the United States. They are designated by the President of the United States and appointed by the President of Liberia.

Mr. FREAR. They are not appointed by the President of the United States?

Mr. McBRIDE. They are designated by the President of the United States, and appointed by the President of Liberia.

Mr. FREAR. Yes; but to get the \$5,000,000 they have got to do what we provide. Have they a depository? What is the depository for the Liberian bonds? That is, are they under the control or not of American interests? Is there a bank there or how do they handle their funds.



Mr. McBRIDE. There is only one bank there now, and that is a British bank. I do not know what arrangements will be made, of course, under the new loan. I should think, perhaps, that some other arrangement should be made.

Mr. FREAR. Now, what is to be done with the balance of the money after you take up those claims, and you have paid this \$1,700,000 to the National City Bank of New York City; what is to be done with the balance?

Mr. DEARING. The balance of that money we want to use for the general administrative expenses of the country, of course, and also for certain improvements and developments which will enable Liberia to get on her feet and take care of her own finances.

Mr. FREAR. Now, returning to the record—  
The CHAIRMAN (Interposing). And included in that is the establishment of a public-school system, which is to be provided for.

Mr. DEARING. There are a number of things provided for.

Mr. FREAR. River and harbor improvements and many things of that kind, and \$80,000 is set aside for the traveling expenses of the financial commission and for their salaries while in transit and the commissioner is to receive \$15,000 salary. Now, do you think that that is an excessive amount to be paid to an official for this little community of people of 40,000 or 50,000?

Mr. DEARING. That figure was agreed upon when we negotiated with President King, of Liberia, who was over here with the financial commission. We went into the matter very carefully, and we felt, and President King felt, and is satisfied, that a salary of that size ought to be paid in order to get men with sufficient ability and skill to administer the plan so that it would be certain to result to the benefit of Liberia, a country of 45,000 square miles and 2,000,000 people.

Mr. FREAR. Is that the reason why \$10,000 was also fixed as the salary of the assistant, in view of the fact that 1,960,000 of those people are uncivilized and the country has less real business than the average city of 50,000 people?

Mr. DEARING. Every one of those salaries was carefully considered by us.

Mr. FREAR. But does not that impress you as being a rather large salary list, \$80,000 annually for these few officials who are to administer the affairs of Liberia, which to-day is unable to pay interest on \$1,700,000 indebtedness?

Mr. DEARING. We do not think so, especially because of the special conditions, climatic conditions, and the backwardness of the development of the country, and so forth, which makes it necessary to pay a somewhat better salary to get the same grade of skilled men who in another situation would accept less.

Mr. FREAR. Now, one more question. Could you give the committee the several amounts that are to be paid to the various people not mentioned here by the National City Bank, which I believe is set out in the position of trustee, are they not, here?

Mr. DEARING. Yes.

Mr. FREAR. Can you give the names and amounts of different people owning the various amounts of securities?

Mr. DEARING. May I ask Mr. McBride to answer that question?

Mr. FREAR. Yes, sir.

Mr. McBRIDE. The \$1,700,000 indebtedness is held by the bondholders of the 1912 loan, not the National City Bank. The National City Bank is the fiscal agent.

Mr. FREAR. Yes; I understand; trustee, as I understand. Who are the bondholders, and how much do they own?

Mr. McBRIDE. I think that the majority are in Great Britain. There is quite a block of stock held in Holland, France, and some in Germany, and some in the United States.

Mr. FREAR. Well, now, what is held in the United States; can you tell us?

Mr. McBRIDE. I do not know, sir.

Mr. FREAR. Have you any way of determining?

The CHAIRMAN. All of that is set out in the pamphlet.

Mr. FREAR. I beg your pardon. I have looked over it very carefully, and I can not find anything.

The CHAIRMAN. The amount is not given?

Mr. FREAR. Let me read on page 66:

"One million six hundred and fifty thousand dollars, or such less amount as may be necessary for the purpose of enabling the Government of Liberia to purchase or redeem all of its bonds now issued and outstanding, representing the 5 per cent sinking fund gold loan, due July 1, 1952, under the agreement for refunding loans dated March 7, 1912, between the Republic of Liberia, of the first part, and J. P. Morgan & Co., Kuhn, Loeb & Co., the National City Bank of New York, and First National Bank of New York, acting for themselves and for Robert Fleming & Co., Banque de Paris et des Pays Bas, M. M. Warburg & Co., and Hope & Co., and for others, of the second part, including such payments of interest, costs of notices and other payments or deposits, as well as payments which may be due from the Government of Liberia under the fiscal-agency agreement dated March 7, 1912, between the Republic of Liberia, of the first part, and the National City Bank of New York, of the second part, as shall be necessary to terminate all obligations of the Government of Liberia under all said bonds or under the agreement for refunding loan or the fiscal-agency agreement above mentioned, as shall entitle the Government of Liberia, in accordance with the terms of said agreement, to the cancellation and destruction of all said bonds held by the fiscal agents in the sinking fund mentioned in said agreements."

Under that is where the National City Bank acts as agent for the other party?

Mr. McBRIDE. They act as the fiscal agents for the Government of Liberia.

Mr. FREAR. Now, can you give the amount due to the various parties in America, due here to-day under that?

Mr. McBRIDE. No, sir; I do not know. I do not know whether there is any way to get that information.

Mr. FREAR. But this Government is paying \$5,000,000 in order to take up this indebtedness, and we ought, as a matter of fact, to know what it is to cover, or at least I think we ought to know.

Mr. McBRIDE. We understand that the Liberian bonds held in this country would amount to about \$200,000.

Mr. COLLIER. How much?

Mr. McBRIDE. I think about \$200,000. I am not sure. We know that a large majority of the Liberian bonds are held in Great Britain to-day.

Mr. FREAR. Those are all owned by private holders, of course?

Mr. McBRIDE. I think so. There may be one or two banks which have been holding some, but not a very large amount.

Mr. FREAR. That is all at present.

Mr. McKELLAR. Before the Senator takes his seat I desire to ask him a question.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Tennessee?

Mr. WALSH of Massachusetts. I do.

Mr. McKELLAR. What constitutional authority have we in times of peace to lend to foreign Governments the people's money which is taken by taxation?

We may talk about "moral obligation," but have we the constitutional right to do it? We surely have not the moral right to lend money to foreign nations in times of peace; at least, it seems to me it is of very doubtful moral propriety even if we have the constitutional right. What does the Senator from Massachusetts have to say, however, about the constitutional right?

Mr. WALSH of Massachusetts. Of course we have no right to loan money to any foreign Government without congressional authority; and I do not suppose anyone claims that there is any authority now to loan money to Liberia unless it grows out of a legal obligation or a moral obligation as binding as a legal one as a result of promises made during the time when Liberia and the United States were engaged as allies in prosecuting the war.

Mr. OWEN. Before the Senator from Massachusetts sits down I desire to ask him a question.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Oklahoma?

Mr. WALSH of Massachusetts. I yield.

Mr. OWEN. I recall that the Senator made a reference to the President having authorized this loan. Is not that authority of the President necessarily restricted to the statute under which the President was then acting?

Mr. WALSH of Massachusetts. Certainly.

Mr. OWEN. And do not the conditions of that law, which require the money to be expended for war purposes, attach directly to the authority granted to the President?

Mr. WALSH of Massachusetts. Certainly; and that was the force of my whole argument; that we were not bound to loan Liberia one dollar, because, no matter what promises our officials made, no matter what the credits, conditional or otherwise, were, Liberia did not expend any money and does not ask us now to recoup her for any expense which she made to prosecute the war.

Mr. OWEN. Surely the manner in which this claim is presented here, with the provision for the disposition of money in the payment of the ancient and honorable debts, which I think ought to be paid by Liberia to the people from whom she borrowed the money, makes it appear as if this alleged moral right had no real existence but was a Trojan horse behind which is stalking the claim of New York bankers.

Mr. WALSH of Massachusetts. I might add that the testimony which I have put into the Record goes fully into the question of the claims against Liberia that will be paid in case this money is loaned by our Government and contains a résumé of Liberia's financial relations with the United States Government, other countries, and banking institutions.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Kansas [Mr. CURTIS], who is in charge of the pending joint resolution, a question in reference to the salaries which are therein provided. I wish to ask the Senator if the salaries are to be paid out of the loan. I have not the whole agreement before me and I can not obtain a copy of it.

Mr. CURTIS. I understand that they will be paid out of the revenues of the Liberian Government.

Mr. McKELLAR. That can not be done because the revenues of Liberia, apparently, are not at all sufficient to pay half of the salaries provided for by the joint resolution.

Mr. CURTIS. It will be found that the revenues of the Liberian Government will pay the salaries.

Mr. McKELLAR. Let us suppose for a moment that the Liberian revenues are not sufficient to pay the salaries; will the United States Government then pay the salaries of these individuals?

Mr. CURTIS. I think not, under the agreement.

Mr. McKELLAR. The Senator thinks not.

Mr. CURTIS. No.

Mr. McKELLAR. If we appoint them, would we not be in honor bound to pay them after having appointed them?

Mr. CURTIS. I do not think so, if they accept the appointments under the known conditions.

Mr. McKELLAR. We have been talking considerably about moral obligations; would there not be a very strong moral obligation on our part, after appointing these men, to pay them the salaries we agreed to pay them if the Liberian revenues were not sufficient for that purpose?

Mr. CURTIS. I do not think there is any danger of such a contingency arising.



Mr. McKELLAR. Does the Senator think that any men could be found who would go to Liberia and undertake this work merely upon the assurance of the Liberian Government that their salaries would be paid?

Mr. CURTIS. Really, I do not know as to that.

Mr. SMOOT. Mr. President, I should like to ask the Senator having the joint resolution in charge whether he expects to conclude the discussion and take a vote upon the measure to-night. If he does, I wish to proceed with what I have to say, because I think that I can demonstrate beyond question that there is a moral obligation involved.

Mr. CURTIS. Mr. President, if we could do so, I should like to have a vote upon the amendment offered by the Senator from Mississippi and then have an executive session. I understand that a number of Senators who have left the Chamber want to be here when the vote is taken.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. BORAH. It was really at my suggestion, I presume, that the Senator from Kansas consented that the measure go over. I find that several Senators have gone away, not anticipating a vote this afternoon, and I should like for them to be here. I do not think we have anything crowding to-morrow, and we might get through then.

Mr. CURTIS. I am perfectly willing to take a vote on the amendment of the Senator from Mississippi and then to hold an executive session and adjourn until 12 o'clock to-morrow, if that is satisfactory.

Mr. SMOOT. In view of the situation as presented by the Senator from Kansas, I do not care about proceeding now; but I will occupy a short time to-morrow.

Mr. NORRIS. Mr. President, before the Senator from Utah yields the floor, in order that there may be no misunderstanding, I wish to say that I do not know what the amendment of the Senator from Mississippi is, and I should not want to enter into an agreement to vote on it to-night.

Mr. SMOOT. The amendment of the Senator from Mississippi provides a number of additional inspectors of locomotive boilers.

Mr. DIAL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I yield.

Mr. DIAL. I merely wish to make an observation for the benefit of the Senator from Nebraska. The object of the amendment of the Senator from Mississippi is to take care of some parties who are out of jobs, such as the Senator from Nebraska spoke of a while ago. The amendment will provide places for some 35 of them.

Mr. SMOOT. Mr. President, we have heard so much this afternoon about providing jobs for those who are out of employment that I think it will be well for Senators who are everlastingly talking in that vein to understand that we have already reduced the number of Government employees by some forty-odd thousand since the last administration went out of power.

Mr. McKELLAR. How many have been put in their places?

Mr. SMOOT. None, so far as the number is concerned, because there are that many less employees of the Government now than there were then.

Mr. OVERMAN. How many new offices have been created?

Mr. SMOOT. Very few, indeed.

Mr. OVERMAN. There have been a great many.

Mr. SMOOT. I will say to the Senator that despite the offices which have been created there are 40,000 less employees in the Government service now than there were when the present administration came into power.

Mr. McKELLAR. Mr. President, if the Senator from Utah will yield, how many are employed by the Government now as compared with the year before the war?

Mr. SMOOT. There are more employees of the Government to-day, of course, than there were before the war.

Mr. McKELLAR. Does the Senator recall how many more? The number is very much larger, is it not?

Mr. SMOOT. The number is not very large.

Mr. McKELLAR. There are 40,000 more employees on the Government rolls than there were before the war, are there not?

Mr. SMOOT. The Senator is mistaken as to that.

Mr. McKELLAR. I should like to have the exact figures put in the RECORD.

Mr. SMOOT. I thought I had them in my desk. I can give the figures for each month since the present administration came into power showing the number of employees separated from the service.

Mr. McKELLAR. Will the Senator be kind enough—I am speaking very seriously now—to put into the RECORD at some later day the reductions that have been made in the number of employees since the Republicans came into power, and then put in the figures as to how many employees of the Government there were the year before the war, in 1916, so that we may make the comparison and ascertain the exact facts? I know the Senator has the figures.

Mr. SMOOT. I think I have the figures for 1916 in my office. I have no idea of casting any reflection upon anybody; but we have heard a great deal this afternoon about hunting jobs for lame ducks. I recall that two years ago there were a number of lame ducks on the other side, and I remember that the then Senator from Arizona, the then Senator from Idaho, the then Senator from Oregon were all taken care of and are to-day in good positions.

Mr. OWEN. I suggest that the Senator should not be so cruel as to call the entire roll.

Mr. SMOOT. I can call the roll if the Senator desires.

Mr. McKELLAR. Will not the Senator put the figures in the RECORD so that we may have a résumé of it all?

Mr. CURTIS. Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. HARRISON. Mr. President, will the Senator withhold that motion for a moment?

The PRESIDING OFFICER. Does the Senator from Kansas withhold his motion?

Mr. CURTIS. I withhold it.

Mr. HARRISON. I ask unanimous consent that immediately after the conclusion of the consideration of the pending joint resolution the bill (S. 3254) to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the military and naval forces of the United States, may be taken up and disposed of.

The PRESIDING OFFICER. The Senator from Mississippi asks unanimous consent that immediately upon the conclusion of the consideration of the pending joint resolution the bill to which he refers may be proceeded with.

Mr. CURTIS. That would require a quorum.

Mr. HARRISON. Of course, if it will require a motion I will not make the request; but I did not think it would require a quorum.

#### EXECUTIVE SESSION.

Mr. CURTIS. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Friday, November 24, 1922, at 12 o'clock meridian.

#### NOMINATIONS.

*Executive nominations received by the Senate November 23, 1922.*

ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES.

Pierce Butler, of Minnesota, to be Associate Justice of the Supreme Court of the United States, vice William R. Day, resigned.

#### PROMOTIONS IN THE DIPLOMATIC SERVICE.

SECRETARY OF EMBASSY OR LEGATION OF CLASS 2.

Cornelius Van H. Engert, of California.  
Williamson S. Howell, jr., of Texas.

SECRETARY OF EMBASSY OR LEGATION OF CLASS 3.

Frederic D. K. Le Clercq, of South Carolina.  
Harold H. Tittmann, jr., of Missouri.

SECRETARY OF EMBASSY OR LEGATION OF CLASS 4.

Miss Lucile Atcherson, of Columbus, Ohio, to be a secretary of embassy or legation of class 4 of the United States of America.

#### MEMBERS OF THE UNITED STATES COAL COMMISSION.

John Hays Hammond, of the District of Columbia.  
Thomas Riley Marshall, of Indiana.  
Samuel Alschuler, of Illinois.  
Clark Howell, of Georgia.  
George Otis Smith, of Maine.  
Edward T. Devine, of New York.  
Charles P. Neill, of the District of Columbia.

## COLLECTORS OF CUSTOMS.

Louis M. Hall, of St. Louis, Mo., to be collector of customs for customs collection district No. 45, with headquarters at St. Louis, Mo., in place of Fountain Rothwell, whose term of office expired October 31, 1922. A temporary commission was issued to this officer during the recess of the Senate.

George V. Denny, of Savannah, Ga., to be collector of customs for customs collection district No. 17, with headquarters at Savannah, Ga., in place of David C. Barrow, jr., superseded.

## COMPTROLLER OF CUSTOMS.

Walter L. Cohen, of New Orleans, La., to be comptroller of customs in customs collection district No. 20, with headquarters at New Orleans, La., in place of Albert W. Newlin, resigned.

## UNITED STATES COAST GUARD.

Cadet Engineer Herman H. Curry to be ensign (engineering) in the Coast Guard of the United States, to rank as such from September 30, 1922. This officer is now serving under temporary commission issued during the recess of the Senate.

## UNITED STATES COAST AND GEODETIC SURVEY.

Aaron George Katz, of New York, to be hydrographic and geodetic engineer, with relative rank of lieutenant in the Navy. Charles Mitchell Thomas, of Virginia, to be aid, with relative rank of ensign in the Navy.

## REGISTER OF THE LAND OFFICE.

Peter Michael Larson, of Minnesota, to be register of the land office at Cass Lake, Minn.

## UNITED STATES PUBLIC HEALTH SERVICE.

Dr. Octavius M. Spencer to be assistant surgeon in the United States Public Health Service, to rank as such from October 5, 1922.

Asst. Surg. Richard B. Norment to be passed assistant surgeon in the United States Public Health Service, to rank as such from September 23, 1922.

Passed Asst. Surg. Robert L. Allen to be surgeon in the United States Public Health Service, to rank as such from September 22, 1922.

Passed Asst. Surg. Ora H. Cox to be surgeon in the United States Public Health Service, to rank as such from September 21, 1922.

Passed Asst. Surg. Marion S. Lombard to be surgeon in the United States Public Health Service, to rank as such from September 21, 1922.

Passed Asst. Surg. Carl Michel to be surgeon in the United States Public Health Service, to rank as such from September 22, 1922.

Passed Asst. Surg. William F. Tanner to be surgeon in the United States Public Health Service, to rank as such from September 21, 1922.

Passed Asst. Surg. William C. Witte to be surgeon in the United States Public Health Service, to rank as such from September 22, 1922.

Passed Asst. Surg. James F. Worley to be surgeon in the United States Public Health Service, to rank as such from September 25, 1922.

## OFFICERS' RESERVE CORPS OF THE ARMY.

## BRIGADIER GENERALS.

*To be brigadier generals, Officers' Reserve Corps.*

Col. Franklin Wilmer Ward, Infantry, Officers' Reserve Corps.

Col. Albert Lyman Cox, Field Artillery, Officers' Reserve Corps.

Col. Charles Irving Martin, adjutant general, Officers' Reserve Corps.

## APPOINTMENTS IN THE REGULAR ARMY.

## GENERAL OFFICERS.

*To be major generals.*

Brig. Gen. André Walker Brewster, from December 1, 1922, vice Maj. Gen. George Bell, jr., who is to be retired from active service November 30, 1922.

Brig. Gen. Edward Mann Lewis, from December 2, 1922, vice Maj. Gen. Clarence R. Edwards, who is to be retired from active service December 1, 1922.

Brig. Gen. Edgar Russel, from December 2, 1922, vice Maj. Gen. Charles J. Bailey, who is to be retired from active service December 1, 1922.

Brig. Gen. Frank Long Winn, from December 2, 1922, vice Maj. Gen. Francis J. Kernan, who is to be retired from active service December 1, 1922.

Brig. Gen. George Brand Duncan, vice Maj. Gen. Edgar Russel, who is to be retired from active service.

Brig. Gen. Ernest Hinds, vice Maj. Gen. Frank L. Winn, who is to be retired from active service.

Brig. Gen. Robert Lee Howze, vice Maj. Gen. William M. Wright, who is to be retired from active service.

*To be brigadier generals.*

Col. Richmond Pearson Davis, Coast Artillery Corps, from December 1, 1922, vice Brig. Gen. Chase W. Kennedy, who is to be retired from active service November 30, 1922.

Col. Charles Henry Barth, Infantry, from December 2, 1922, vice Brig. Gen. Richard E. Blatchford, who is to be retired from active service December 1, 1922.

Col. John McAuley Palmer, Infantry, vice Brig. Gen. André W. Brewster, nominated for appointment as major general.

Col. Briant Harris Wells, Infantry, from December 2, 1922, vice Brig. Gen. Samson L. Faison, who is to be retired from active service December 1, 1922.

Col. Edward Leonard King, Cavalry, vice Brig. Gen. Edward E. Lewis, nominated for appointment as major general.

Col. Harold Benjamin Fiske, Infantry, vice Brig. Gen. Edgar Russel, nominated for appointment as major general.

Col. Frank Ross McCoy, Cavalry, vice Brig. Gen. Frank L. Winn, nominated for appointment as major general.

Col. Halstead Dorey, Infantry, vice Brig. Gen. George B. Duncan, nominated for appointment as major general.

Col. Hugh Aloysius Drum, Infantry, vice Brig. Gen. Ernest Hinds, nominated for appointment as major general.

Col. Stuart Heintzelman, Cavalry, vice Brig. Gen. Robert L. Howze, nominated for appointment as major general.

Col. Willoughby Walke, Coast Artillery Corps, from December 29, 1922, vice Brig. Gen. Charles H. Barth, who is to be retired from active service December 28, 1922.

Col. John Bacon McDonald, Cavalry, from January 29, 1923, vice Brig. Gen. Willoughby Walke, who is to be retired from active service January 28, 1923.

*To be second lieutenants.*

Under the provisions of the acts of Congress approved June 30 and September 14, 1922, the officers herein named, who are now first lieutenants in the Regular Army, to be second lieutenants in the Regular Army in the branches of service in which they now hold commissions or appointments, to take rank in that grade as prescribed by the act of June 30, 1922:

First Lieut. Fred Glover Sherrill, Finance Department.

First Lieut. Sol Marks Lipman, Cavalry.

First Lieut. Jerome David Cambre, Infantry.

First Lieut. Eustaquio Bacilg y Sabio, Philippine Scouts.

First Lieut. Burrowes Goldwaite Stevens, Infantry.

First Lieut. Alexander Thomas McCone, Infantry.

First Lieut. Thomas Markham Brinkley, Infantry.

First Lieut. John Kennedy Buchanan, Infantry.

First Lieut. Beverley St. George Tucker, Ordnance Dept.

First Lieut. Reginald Worth Hubbell, Infantry.

First Lieut. Lee Earl Gray, Coast Artillery Corps.

First Lieut. Donald William Sawtelle, Cavalry.

First Lieut. Paul Wilkins Kendall, Infantry.

First Lieut. John Franklin Farley, Infantry.

First Lieut. Charles Henry Moore, jr., Infantry.

First Lieut. James Wentworth Freeman, Infantry.

First Lieut. Alexander John Mackenzie, Infantry.

First Lieut. Wiley Vinton Carter, Infantry.

First Lieut. Ira Platt Swift, Cavalry.

First Lieut. Wilbur Eugene Dunkelberg, Infantry.

First Lieut. Arthur Pulsifer, Infantry.

First Lieut. Farrin Allen Hillard, Infantry.

First Lieut. Elliott Watkins, Infantry.

First Lieut. Francis James Gillespie, Infantry.

First Lieut. Jesse Lewis Gibney, Infantry.

First Lieut. Robert Hale Vesey, Infantry.

First Lieut. Clarence Miles Mendenhall, jr., Infantry.

First Lieut. Kester Lovejoy Hastings, Infantry.

First Lieut. George McKnight Williamson, jr., Infantry.

First Lieut. Howard Waite Brimmer, Infantry.

First Lieut. Charles Milner Smith, jr., Infantry.

First Lieut. Walter Joseph Muller, Infantry.

First Lieut. Harry Lovejoy Rogers, jr., Infantry.

First Lieut. George Bryan Conrad, Infantry.

First Lieut. William Stephen Murray, Infantry.

First Lieut. Raymond Wainwright Odor, Infantry.

First Lieut. James Clyde Welch, Infantry.

First Lieut. Miner Welsh Bonwell, Infantry.

First Lieut. John Perry Pence, Infantry.

First Lieut. Joseph Magoffin Glasgow, Cavalry.

First Lieut. Elmer Mike Jenkins, Infantry.

First Lieut. James Lawrence Keasler, Infantry.

First Lieut. Rutherford Dent McGiffert, Infantry.

First Lieut. Richard Bryan Wheeler, Infantry.

First Lieut. Thomas Roswell Aaron, Infantry.

First Lieut. David Albert Newcomer, Corps of Engineers.



First Lieut. Alfred Maximillian Gruenther, Field Artillery.  
 First Lieut. Herbert Bernard Loper, Corps of Engineers.  
 First Lieut. Ivan Crawford Lawrence, Corps of Engineers.  
 First Lieut. Williston Birkhimer Palmer, Field Artillery.  
 First Lieut. Robert Gibbins Gard, Field Artillery.  
 First Lieut. Robert Ammons Hill, Corps of Engineers.  
 First Lieut. David Horn Whittier, Ordnance Department.  
 First Lieut. Herbert Maury Jones, Field Artillery.  
 First Lieut. Fred William Marlow, Corps of Engineers.  
 First Lieut. Orville Wells Martin, Field Artillery.  
 First Lieut. William Joseph Regan, Corps of Engineers.  
 First Lieut. Roy Green, Corps of Engineers.  
 First Lieut. Forrest Eugene Cookson, Infantry.  
 First Lieut. Alexander Sharp Bennet, Field Artillery.  
 First Lieut. George Sheldon Price, Field Artillery.  
 First Lieut. Carl Spencer Molitor, Infantry.  
 First Lieut. Wyburn Dwight Brown, Field Artillery.  
 First Lieut. Robert Miller Montague, Field Artillery.  
 First Lieut. Charles Pollard Jones, Field Artillery.  
 First Lieut. Anthony Clement McAuliffe, Field Artillery.  
 First Lieut. Robert Leonard Johnson, Field Artillery.  
 First Lieut. Lester Francis Rhodes, Corps of Engineers.  
 First Lieut. Albert Rhett Stuartt Barden, Field Artillery.  
 First Lieut. Romeo Francis Regnier, Field Artillery.  
 First Lieut. Don Gilmore Shingler, Corps of Engineers.  
 First Lieut. Harlan Nelson Hartness, Infantry.  
 First Lieut. Louis Brainard Ely, Field Artillery.  
 First Lieut. Julius Easton Slack, Field Artillery.  
 First Lieut. Bertram Francis Hayford, Field Artillery.  
 First Lieut. Ernest Aron Bixby, Field Artillery.  
 First Lieut. Robert Rossiter Raymond, jr., Field Artillery.  
 First Lieut. Harris Fulford Scherer, Cavalry.  
 First Lieut. Thomas Benoit Hedekin, Field Artillery.  
 First Lieut. Joseph Vincil Phelps, Field Artillery.  
 First Lieut. Charles Norton McFarland, Field Artillery.  
 First Lieut. Charles Alvin Pyle, Field Artillery.  
 First Lieut. Alexander Griswold Kirby, Field Artillery.  
 First Lieut. John Ray Hardin, Corps of Engineers.  
 First Lieut. William Wilkeson Barton, Field Artillery.  
 First Lieut. Maurice Place Chadwick, Field Artillery.  
 First Lieut. Foster Joseph Tate, Field Artillery.  
 First Lieut. Carl Robinson, Infantry.  
 First Lieut. Richard Tobin Bennison, Field Artillery.  
 First Lieut. Henry John Dick Meyer, Field Artillery.  
 First Lieut. Elton Foster Hammond, Field Artillery.  
 First Lieut. Ernest Marion Brannon, Infantry.  
 First Lieut. Francis George McGill, Field Artillery.  
 First Lieut. Luther Lyons Hill, Cavalry.  
 First Lieut. Oscar Allan Saunders, Field Artillery.  
 First Lieut. John Wyville Sheehy, Infantry.  
 First Lieut. James Battle Rivers, Cavalry.  
 First Lieut. John Joseph Burns, Field Artillery.  
 First Lieut. Leslie Edgar Jacoby, Field Artillery.  
 First Lieut. John Raikes Vance, Infantry.  
 First Lieut. Clarence John Kanaga, Field Artillery.  
 First Lieut. Richard Powell Ovenshine, Infantry.  
 First Lieut. Edwin Virgil Kerr, Field Artillery.  
 First Lieut. Thomas McGregor, Field Artillery.  
 First Lieut. Harrison Howell Dodge Helberg, Cavalry.  
 First Lieut. William Irwin Allen, Coast Artillery Corps.  
 First Lieut. James Edmund Parker, Air Service.  
 First Lieut. William Wesson Jervy, Cavalry.  
 First Lieut. George Raymond Burgess, Coast Artillery Corps.  
 First Lieut. Edward Lynde Strohbehn, Field Artillery.  
 First Lieut. Maurice Keyes Kurtz, Field Artillery.  
 First Lieut. William Holmes Wenstrom, Cavalry.  
 First Lieut. Paul Lewis Harter, Coast Artillery Corps.  
 First Lieut. Leo Clement Paquet, Infantry.  
 First Lieut. Thomas Morris Crawford, Infantry.  
 First Lieut. Eugene McGinley, Field Artillery.  
 First Lieut. Hugh Brownrigg Waddell, Cavalry.  
 First Lieut. Lester Delong Flory, Coast Artillery Corps.  
 First Lieut. Isaac Halden Ritchie, Coast Artillery Corps.  
 First Lieut. Augustine Francis Shea, Field Artillery.  
 First Lieut. Carlisle Visscher Allan, Infantry.  
 First Lieut. Marion Patton Echols, Field Artillery.  
 First Lieut. Francis Otis Wood, Field Artillery.  
 First Lieut. Hobart Hewett, Coast Artillery Corps.  
 First Lieut. Waldemar Sven Broberg, Ordnance Department.  
 First Lieut. James Holden Phillips, Cavalry.  
 First Lieut. John Edwin Leahy, Cavalry.  
 First Lieut. Frederick Weed Drury, Cavalry.  
 First Lieut. Leander Dunbar Syme, Infantry.  
 First Lieut. Ellis Vern Williamson, Field Artillery.  
 First Lieut. Leroy Clark Wilson, Infantry.

First Lieut. Nathaniel Alanson Burnell, 2d, Coast Artillery Corps.  
 First Lieut. John Bartlett Murphy, Field Artillery.  
 First Lieut. James Lowe Harbaugh, jr., Coast Artillery Corps.  
 First Lieut. Virgil Farrar Shaw, Cavalry.  
 First Lieut. Paul Alpheus Noel, Cavalry.  
 First Lieut. Michael Gibson Smith, Field Artillery.  
 First Lieut. Syril Emerson Faine, Infantry.  
 First Lieut. Arthur Maxon Parsons, Infantry.  
 First Lieut. Harry Welling Barrick, Infantry.  
 First Lieut. William Travis Van de Graaff, Infantry.  
 First Lieut. Howard Rand Perry, jr., Infantry.  
 First Lieut. Edward Hamilton Young, Infantry.  
 First Lieut. Nathan Arthur Smith, Infantry.  
 First Lieut. Gerald St. Clare Mickle, Infantry.  
 First Lieut. Benjamin Randolph Farrar, Infantry.  
 First Lieut. Henry Ellis Sanderson, jr., Field Artillery.  
 First Lieut. Hugh French Thomason Hoffman, Cavalry.  
 First Lieut. David Stanley Holbrook, Cavalry.  
 First Lieut. Walter Scott Winn, jr., Infantry.  
 First Lieut. Willard Gordon Wyman, Cavalry.  
 First Lieut. John Leonard Whitelaw, Infantry.  
 First Lieut. Edward Henry Bowes, Infantry.  
 First Lieut. Edwin Malcolm Sutherland, Infantry.  
 First Lieut. Joseph Andrew Holly, Infantry.  
 First Lieut. Henry Baldwin Nichols, Infantry.  
 First Lieut. William Douglas McNair, Field Artillery.  
 First Lieut. Charles Forrest Wilson, Coast Artillery Corps.  
 First Lieut. Robert Francis Carter, Infantry.  
 First Lieut. Hugh Garnett Elliott, jr., Field Artillery.  
 First Lieut. Nathan Farragut Twining, Infantry.)  
 First Lieut. William John Crowe, Cavalry.  
 First Lieut. George Whitfield MacMillan, Coast Artillery Corps.  
 First Lieut. L. Hoyt Rockafellow, Infantry.  
 First Lieut. Percy Emery Hunt, Infantry.  
 First Lieut. Roland William McNamee, Infantry.  
 First Lieut. John Carpenter Raean, Infantry.  
 First Lieut. Winfred George Skelton, Infantry.  
 First Lieut. Lambert Benel Cain, Infantry.  
 First Lieut. Edmund Bower Sebree, Infantry.  
 First Lieut. Ignatius Lawrence Donnelly, Infantry.  
 First Lieut. Merritt Brandon Booth, Infantry.  
 First Lieut. Raymond Clegg Barlow, Infantry.  
 First Lieut. Frank Greene Davis, Infantry.  
 First Lieut. Emmett James Bean, Infantry.  
 First Lieut. Donald Allen Fay, Infantry.  
 First Lieut. Charles Henry Noble, Cavalry.  
 First Lieut. Walter Towle O'Reilly, Field Artillery.  
 First Lieut. Kenneth Pierce, Infantry.  
 First Lieut. Charles Henry Bryan, Cavalry.  
 First Lieut. John Endler, Infantry.  
 First Lieut. John Howell Collier, Cavalry.  
 First Lieut. Dean Luce, Coast Artillery Corps.  
 First Lieut. Vincent Coyle McAlevy, Cavalry.  
 First Lieut. George Gordon Elms, Cavalry.  
 First Lieut. John Dimmick Armstrong, Infantry.  
 First Lieut. Ralph Francis Stearley, Cavalry.  
 First Lieut. Donald Handley Nelson, Cavalry.  
 First Lieut. Edward Ora Hopkins, Field Artillery.  
 First Lieut. James Verne Cole, Infantry.  
 First Lieut. Ralph Bernard Kindley, Infantry.  
 First Lieut. John Adams Bruckner, jr., Infantry.  
 First Lieut. Clarence Archibald Frank, Infantry.  
 First Lieut. Frederick Brodstreet Dodge, jr., Coast Artillery Corps.  
 First Lieut. Clarkson Dewoise McNary, Infantry.  
 First Lieut. Bernard Abert Byrne, jr., Infantry.  
 First Lieut. Warren Wilson Christian, Infantry.  
 First Lieut. Dale Wilford Maher, Cavalry.  
 First Lieut. Robert Barrett Hutchins, Infantry.  
 First Lieut. Joseph William Kullman, Infantry.  
 First Lieut. George Dewey Rogers, Infantry.  
 First Lieut. Robert Jones Merrick, Cavalry.  
 First Lieut. William Henry John Dunham, Coast Artillery Corps.  
 First Lieut. Irvin Alexander, Infantry.  
 First Lieut. John Harvey Madison, Coast Artillery Corps.  
 First Lieut. George Edward Bruner, Infantry.  
 First Lieut. Thomas Llewellyn Waters, Coast Artillery Corps.  
 First Lieut. Urban Niblo, Field Artillery.  
 First Lieut. Kenneth Sharp Olson, Infantry.  
 First Lieut. William Leighton McNery, Cavalry.  
 First Lieut. Robert Montgomery Springer, Infantry.  
 First Lieut. Russell John Nelson, Infantry.

First Lieut. Charles Maine Wolff, Coast Artillery Corps.  
 First Lieut. Simon Foss, Infantry.  
 First Lieut. Davis Ward Hale, Cavalry.  
 First Lieut. Edward Melvin Starr, Infantry.  
 First Lieut. Joseph Sladen Bradley, Infantry.  
 First Lieut. Arthur Lancelot Moore, Infantry.  
 First Lieut. Robert William Crichlow, jr., Coast Artillery Corps.  
 First Lieut. Martin Anthony Fennell, Cavalry.  
 First Lieut. Ralph Harris Bassett, Infantry.  
 First Lieut. Harold Allen Brown, Infantry.  
 First Lieut. Albert Sidney Johnston Stovall, jr., Cavalry.  
 First Lieut. Donald Carson Hardin, Infantry.  
 First Lieut. Wayne Clifton Zimmerman, Infantry.  
 First Lieut. John Thomas Keeley, Infantry.  
 First Lieut. James Wellington Boyd, Coast Artillery Corps.  
 First Lieut. Joseph Conrad Odell, Infantry.  
 First Lieut. Josiah Toney Dalbey, Infantry.  
 First Lieut. Logan Osborn Shutt, Infantry.  
 First Lieut. Stuart Little, Infantry.  
 First Lieut. Hilton Edward Heineke, Infantry.  
 First Lieut. Galen Magnus Taylor, Coast Artillery Corps.  
 First Lieut. John Francis Lavagnino, Infantry.  
 First Lieut. Daniel Philip Buckland, Cavalry.  
 First Lieut. Phillip McIlvaine Whitney, Infantry.  
 First Lieut. John Morris Works, Field Artillery.  
 First Lieut. Christian Hildebrand, Infantry.  
 First Lieut. Joseph Holleman Warren, Infantry.  
 First Lieut. Edgar Mortimer Gregory, Coast Artillery Corps.  
 First Lieut. John David Frederick, Infantry.  
 First Lieut. Richard Ray Coursey, Infantry.  
 First Lieut. Dwight Lyman Adams, Infantry.  
 First Lieut. Thomas Gordon Cranford, jr., Coast Artillery Corps.  
 First Lieut. Lester George Degnan, Infantry.  
 First Lieut. Henry Bennett Sheets, Infantry.  
 First Lieut. Archie William Cooley, Infantry.  
 First Lieut. William Robert McMaster, Infantry.  
 First Lieut. Cornelius Emmett O'Connor, Infantry.  
 First Lieut. Joseph Alfred Cranston, jr., Infantry.  
 First Lieut. Willard Leslie Isaacs, Infantry.  
 First Lieut. Horace Speed, jr., Coast Artillery Corps.  
 First Lieut. Fred William Makinney, jr., Cavalry.  
 First Lieut. William Benjamin Kean, jr., Infantry.  
 First Lieut. Harold Robert Emery, Infantry.  
 First Lieut. David Sanderson McLean, Infantry.  
 First Lieut. William Joseph Moroney, Infantry.  
 First Lieut. Russell Lowell Williamson, Air Service.  
 First Lieut. Howard Dohla Johnston, Infantry.  
 First Lieut. Franklin Leroy Rash, Infantry.  
 First Lieut. Edgar Harvey Snodgrass, Infantry.  
 First Lieut. Claude Birkett Ferenbaugh, Infantry.  
 First Lieut. Adna Chaffee Hamilton, Infantry.  
 First Lieut. Harold Stuart Ruth, Infantry.  
 First Lieut. Sterling Eugene Whitesides, jr., Infantry.  
 First Lieut. Lewis Stone Sorley, jr., Infantry.  
 First Lieut. Albert Coady Wedemeyer, Infantry.  
 First Lieut. David Best Latimer, Coast Artillery Corps.  
 First Lieut. Roswell Boyle Hart, Infantry.  
 First Lieut. Halvor Hegland Myrah, Coast Artillery Corps.  
 First Lieut. Herbert Joseph Riess, Infantry.  
 First Lieut. Henry Ignatius Szymanski, Infantry.  
 First Lieut. Ulric Lee Pomby, Infantry.  
 First Lieut. Frederick Brenton Porter, Field Artillery.  
 First Lieut. Bryan Sewall Halter, Infantry.  
 First Lieut. Charles Raymond Gross, Infantry.  
 First Lieut. Charles Hardy Hart, jr., Infantry.  
 First Lieut. Adolphus Rankin McConnell, Air Service.  
 First Lieut. William James Daw, Field Artillery.  
 First Lieut. Louis Bernard Saxe, Quartermaster Corps.  
 First Lieut. George De Vere Barnes, Quartermaster Corps.  
 First Lieut. Paul Robert Menzies Miller, Field Artillery.  
 First Lieut. Albert Smith Rice, Infantry.  
 First Lieut. Charles Linton Williams, Infantry.  
 First Lieut. Charles Ream Jackson, Infantry.  
 First Lieut. Charles Leslie Keerans, jr., Infantry.  
 First Lieut. Fred Cleveland Fishback, Air Service.  
 First Lieut. George Oliver Roberson, Air Service.  
 First Lieut. Kenneth Newton Walker, Air Service.  
 First Lieut. John Lawrence Hanley, Coast Artillery Corps.  
 First Lieut. Stanley Hunsicker Hunsicker, Quartermaster Corps.  
 First Lieut. Neal Henry McKay, Quartermaster Corps.  
 First Lieut. Earl Raymond Adlington, Quartermaster Corps.  
 First Lieut. James Wesley Willford, Quartermaster Corps.

First Lieut. Stanleigh Megargee, Quartermaster Corps.  
 First Lieut. Oscar Leslie Rogers, Air Service.  
 First Lieut. Roger Frederic O'Leary, Quartermaster Corps.  
 First Lieut. Joseph Allen Physioc, jr., Air Service.  
 First Lieut. Samuel Perham Mills, Air Service.  
 First Lieut. Edgar Theodore Selzer, Air Service.  
 First Lieut. Albert Joseph Lubbe, Signal Corps.  
 First Lieut. George Raymond Ensminger, Ordnance Department.  
 First Lieut. John Bicknell Luscombe, Quartermaster Corps.  
 First Lieut. Charles Harold Howard, Air Service.  
 First Lieut. Edward Alton Hillery, Air Service.  
 First Lieut. Hugh Sydney Harpole, Quartermaster Corps.  
 First Lieut. Homer William Jones, Quartermaster Corps.  
 First Lieut. Everett Sanford Davis, Air Service.  
 First Lieut. Frank Egerton Powell, Quartermaster Corps.  
 First Lieut. Bradford Nelson Headley, Quartermaster Corps.  
 First Lieut. Frederick Irving Patrick, Air Service.  
 First Lieut. Donald Reuben Goodrich, Air Service.  
 First Lieut. Carl Henry Barrett, Air Service.  
 First Lieut. Francis Hill Kuhn, Quartermaster Corps.  
 First Lieut. John Harvey Wilson, Air Service.  
 First Lieut. John Daniel O'Connell, Quartermaster Corps.  
 First Lieut. Harold Brand, Air Service.  
 First Lieut. Edward Watson Kelley, Infantry.  
 First Lieut. Claud Thomas Gunn, Coast Artillery Corps.  
 First Lieut. Edward Freeman, Philippine Scouts.  
 First Lieut. Herbert Benjamin Wilcox, Infantry.  
 First Lieut. Robert Hilton Eichelsdoerfer, Cavalry.  
 First Lieut. Otto Max Jank, Coast Artillery Corps.  
 First Lieut. James William Smith, Philippine Scouts.  
 First Lieut. Thomas Houston Dameron, Field Artillery.  
 First Lieut. Paul Evert, Air Service.  
 First Lieut. Paul Americus Harris, Coast Artillery Corps.  
 First Lieut. Jefferson Cleveland Campbell, Field Artillery.  
 First Lieut. Hugh Franklin Conrey, Field Artillery.  
 First Lieut. Edwin Clark Maling, Infantry.  
 First Lieut. Richard Head Trippe, Infantry.  
 First Lieut. Paul Edward Jackson, Infantry.  
 First Lieut. O. D. Wells, Infantry.  
 First Lieut. Frank Celestine Meade, Coast Artillery Corps.  
 First Lieut. Paul Wallace Cole, Coast Artillery Corps.  
 First Lieut. Everett Samuel Prouty, Infantry.  
 First Lieut. Charles Speir Lawrence, Infantry.  
 First Lieut. John Corwin Shaw, Infantry.  
 First Lieut. William Cadwalader Price, jr., Infantry.  
 First Lieut. Clarence Matthew Tomlinson, Infantry.  
 First Lieut. Eugene Reedy Guild, Coast Artillery Corps.  
 First Lieut. Julian Buckner Haddon, Air Service.  
 First Lieut. Claude Delorum Collins, Infantry.  
 First Lieut. William Hugh Burns, Field Artillery.  
 First Lieut. William Eldridge Moore, Quartermaster Corps.  
 First Lieut. Osborne Cutler Wood, Infantry.  
 First Lieut. Clem Oliver Gunn, Coast Artillery Corps.  
 First Lieut. Wilber Russell Ellis, Coast Artillery Corps.  
 First Lieut. Donald Weldon Brann, Infantry.  
 First Lieut. George Bernhard Anderson, Coast Artillery Corps.  
 First Lieut. Walter John Wolfe, Coast Artillery Corps.  
 First Lieut. Roswell Emory Round, Infantry.  
 First Lieut. William J. McChesney, jr., Cavalry.  
 First Lieut. Maxwell Michaux Corpening, Field Artillery.  
 First Lieut. Howard Farmer, Quartermaster Corps.  
 First Lieut. Clyde Harrison Lamb, Infantry.  
 First Lieut. Fred Ross Cowan, Quartermaster Corps.  
 First Lieut. Lester Frank Watson, Quartermaster Corps.  
 First Lieut. William Edwin Vecqueray, Quartermaster Corps.  
 First Lieut. Haynie McCormick, Air Service.  
 First Lieut. Arthur Henry Wolf, Infantry.  
 First Lieut. Albert Theodore Wilson, Infantry.  
 First Lieut. Leonard Vezina, Quartermaster Corps.  
 First Lieut. Hartwell Matthew Elder, Quartermaster Corps.  
 First Lieut. Housan Wayne Duncan, Field Artillery.  
 First Lieut. Park Holland, Air Service.  
 First Lieut. John Gross, Field Artillery.  
 First Lieut. Earle Everette Cox, Cavalry.  
 First Lieut. Thomas Russell Howard, Infantry.  
 First Lieut. Samuel James Adams, Infantry.  
 First Lieut. William Henry Webb, Coast Artillery Corps.  
 First Lieut. Albert Gillian Kelly, Infantry.  
 First Lieut. Wayne McVeigh Pickels, Quartermaster Corps.  
 First Lieut. Owen Russell Marriott, Field Artillery.  
 First Lieut. Frank Joseph Vida, Infantry.  
 First Lieut. Harold Patrick Henry, Infantry.  
 First Lieut. Harry Woldren French, Infantry.  
 First Lieut. Dwight Joseph Canfield, Air Service.



First Lieut. Fred Pierce Van Duzee, Infantry.  
 First Lieut. Charles Leland Webber, Air Service.  
 First Lieut. Arthur Gillette Watson, Air Service.  
 First Lieut. Henry Thomson Burtis, Air Service.  
 First Lieut. Burns Beall, Infantry.  
 First Lieut. John Bartlett Hess, Infantry.  
 First Lieut. Allen Francis Haynes, Infantry.  
 First Lieut. Harold Gaslin Sydenham, Infantry.  
 First Lieut. Hugh Cromer Minter, Air Service.  
 First Lieut. George Windle Read, jr., Cavalry.  
 First Lieut. James Barlow Cullum, jr., Corps of Engineers.  
 First Lieut. Francis Hudson Oxx, Corps of Engineers.  
 First Lieut. Thomas Henry Stanley, Corps of Engineers.  
 First Lieut. Donald Greeley White, Corps of Engineers.  
 First Lieut. Henry George Lambert, Corps of Engineers.  
 First Lieut. William Weston Bessell, jr., Corps of Engineers.  
 First Lieut. Charles George Holle, Corps of Engineers.  
 First Lieut. Arthur Martin Andrews, Corps of Engineers.  
 First Lieut. Edward Crosby Harwood, Corps of Engineers.  
 First Lieut. John Wylie Moreland, Corps of Engineers.  
 First Lieut. Wayne Stewart Moore, Corps of Engineers.  
 First Lieut. Henry Franklin Hannis, Corps of Engineers.  
 First Lieut. Arthur Lee McCullough, Corps of Engineers.  
 First Lieut. Edward Albert Routhenau, Field Artillery.  
 First Lieut. Theodore Temple Knappen, Corps of Engineers.  
 First Lieut. Godfrey Douglas Adamson, Field Artillery.  
 First Lieut. Wilson Burnett Higgins, Corps of Engineers.  
 First Lieut. Albert Newell Tanner, jr., Corps of Engineers.  
 First Lieut. William Alter Watson, Field Artillery.  
 First Lieut. Frederic Lord Hayden, Coast Artillery Corps.  
 First Lieut. Warren Cressman Rutter, Coast Artillery Corps.  
 First Lieut. Harold Frank Handy, Field Artillery.  
 First Lieut. Richard Clare Partridge, Field Artillery.  
 First Lieut. Edward John McGaw, Field Artillery.  
 First Lieut. Harold Thomas Miller, Corps of Engineers.  
 First Lieut. Volney Archer Poulson, Corps of Engineers.  
 First Lieut. Tyree Rivers Horn, Field Artillery.  
 First Lieut. William Chamberlain Coe, Coast Artillery Corps.  
 First Lieut. James Woodrow Clark, Corps of Engineers.  
 First Lieut. Joseph Leo Langevin, Field Artillery.  
 First Lieut. William Hardy Hill, Field Artillery.  
 First Lieut. Louis Jacob Claterbos, Corps of Engineers.  
 First Lieut. Auguste Rhu Taylor, Field Artillery.  
 First Lieut. James Kenneth Mitchell, Cavalry.  
 First Lieut. Frank Andrew Henning, Field Artillery.  
 First Lieut. James Malcolm Lewis, Field Artillery.  
 First Lieut. Bernard Linn Robinson, Corps of Engineers.  
 First Lieut. John Robert Culleton, Field Artillery.  
 First Lieut. James Goodrich Renno, Coast Artillery Corps.  
 First Lieut. Charles Steinhart Whitmore, Field Artillery.  
 First Lieut. James Hobson Stratton, Corps of Engineers.  
 First Lieut. Lee Armstead Denson, jr., Coast Artillery Corps.  
 First Lieut. Ewart Gladstone Plank, Corps of Engineers.  
 First Lieut. Lawrence Granger Smith, Cavalry.  
 First Lieut. Edward Haviland Lastayo, Field Artillery.  
 First Lieut. Alexander Romeyn MacMillan, Coast Artillery Corps.  
 First Lieut. Roy Winne Barhydt, Infantry.  
 First Lieut. George DeGraaf, Field Artillery.  
 First Lieut. Lathrop Ray Bullene, Coast Artillery Corps.  
 First Lieut. James Alexander Samouce, Field Artillery.  
 First Lieut. William Wallace Ford, Field Artillery.  
 First Lieut. George Dewey Vanture, Field Artillery.  
 First Lieut. Pastor Martelino, Philippine Scouts.  
 First Lieut. Harry Earl Fisher, Corps of Engineers.  
 First Lieut. Donald Sylvester Burns, Corps of Engineers.  
 First Lieut. Donald James Leehey, Corps of Engineers.  
 First Lieut. Carl Edwin Berg, Field Artillery.  
 First Lieut. Joseph Eugene Harriman, Coast Artillery Corps.  
 First Lieut. George Joseph Loupret, Coast Artillery Corps.  
 First Lieut. William Squires Wood, jr., Field Artillery.  
 First Lieut. Thomas Arnett Roberts, jr., Field Artillery.  
 First Lieut. Verne Donald Mudge, Cavalry.  
 First Lieut. John Loren Goff, Coast Artillery Corps.  
 First Lieut. Francis Henry Morse, Field Artillery.  
 First Lieut. Edward Macon Edmonson, Field Artillery.  
 First Lieut. William Gordon Holder, Coast Artillery Corps.  
 First Lieut. Halstead Clotworthy Fowler, Coast Artillery Corps.  
 First Lieut. Lyman Louis Lemnitzer, Coast Artillery Corps.  
 First Lieut. Leslie Burgess Downing, Field Artillery.  
 First Lieut. William Ignatius Brady, Field Artillery.  
 First Lieut. Eugene Martin Link, Field Artillery.  
 First Lieut. Charles Himmier, Coast Artillery Corps.  
 First Lieut. John States Seybold, Corps of Engineers.

First Lieut. Cornelius Garrison, Field Artillery.  
 First Lieut. William Harry Bartlett, Field Artillery.  
 First Lieut. Donald Breen Herron, Coast Artillery Corps.  
 First Lieut. Edward Clinton Gillette, jr., Field Artillery.  
 First Lieut. Russell Owen Smith, Field Artillery.  
 First Lieut. Freeman Grant Cross, Field Artillery.  
 First Lieut. Rex Van Den Corput, jr., Field Artillery.  
 First Lieut. Homer Watson Kiefer, Field Artillery.  
 First Lieut. James Myron McMillin, Chemical Warfare Service.  
 First Lieut. Joseph Harris, Coast Artillery Corps.  
 First Lieut. John George Howard, Field Artillery.  
 First Lieut. Ford Trimble, Field Artillery.  
 First Lieut. Robert Hugh Kreuter, Coast Artillery Corps.  
 First Lieut. Laurence Wood Bartlett, Coast Artillery Corps.  
 First Lieut. Donald Frank Stace, Air Service.  
 First Lieut. Reynolds Johnston Burt, jr., Corps of Engineers.  
 First Lieut. Edgar Allan Gilbert, jr., Cavalry.  
 First Lieut. Leslie Emmett Mabus, Infantry.  
 First Lieut. John Dickerson Mitchell, Coast Artillery Corps.  
 First Lieut. Clarence Henry Schabacker, Coast Artillery Corps.  
 First Lieut. Ewart Jackson Strickland, Coast Artillery Corps.  
 First Lieut. Fred Lebbeus Hamilton, Cavalry.  
 First Lieut. Robert Snyder Trimble, jr., Coast Artillery Corps.  
 First Lieut. John Francis Cassidy, Coast Artillery Corps.  
 First Lieut. John Foxhall Sturman, jr., Coast Artillery Corps.  
 First Lieut. Joseph Jacob Billo, Infantry.  
 First Lieut. Wilbert Engdahl Shallene, Cavalry.  
 First Lieut. Robert Francis Watt, Infantry.  
 First Lieut. Clarence Clemens Clendenen, Cavalry.  
 First Lieut. William Carleton McFadden, Coast Artillery Corps.  
 First Lieut. Eugene Collum Johnston, Cavalry.  
 First Lieut. James Ludwell Lake, jr., Cavalry.  
 First Lieut. Hugh Whitaker Winslow, Coast Artillery Corps.  
 First Lieut. James Hess Walker, Cavalry.  
 First Lieut. Claude Eugene Haswell, Infantry.  
 First Lieut. Lyman Lincoln Judge, Cavalry.  
 First Lieut. Frank Needham Roberts, Infantry.  
 First Lieut. Francis Henry Lanahan, jr., Field Artillery.  
 First Lieut. Lawrence Edward Schick, Cavalry.  
 First Lieut. Courtney Parker Young, Coast Artillery Corps.  
 First Lieut. Henry Chester Hine, jr., Cavalry.  
 First Lieut. Charles Frederick Beattie, Infantry.  
 First Lieut. John Donald Robertson, Coast Artillery Corps.  
 First Lieut. William Price Withers, Cavalry.  
 First Lieut. Frederick Robert Pitts, Cavalry.  
 First Lieut. Sherman Vitus Hasbrouck, Infantry.  
 First Lieut. Arthur Kenley Hammond, Cavalry.  
 First Lieut. Crump Garvin, Infantry.  
 First Lieut. Martin Charles Casey, Coast Artillery Corps.  
 First Lieut. Hamilton Peyton Ellis, Coast Artillery Corps.  
 First Lieut. Thomas Dresser White, Infantry.  
 First Lieut. Frederick Mixon Harris, Infantry.  
 First Lieut. William Wallace McMillan, Cavalry.  
 First Lieut. Dwight Acker Rosebaum, Infantry.  
 First Lieut. Kenneth Gilpin Hoge, Cavalry.  
 First Lieut. Donald Robert Van Sickler, Field Artillery.  
 First Lieut. Richard Candler Singer, Field Artillery.  
 First Lieut. John Henry Hoeffcker Hall, Infantry.  
 First Lieut. Aladin James Hart, Cavalry.  
 First Lieut. Robert Edwards, Cavalry.  
 First Lieut. Jefferson Denman Box, Infantry.  
 First Lieut. William Richter Toney, Infantry.  
 First Lieut. Joseph Honore Rousseau, jr., Coast Artillery Corps.  
 First Lieut. Lawrence Joseph Carr, Cavalry.  
 First Lieut. Maurice Wiley Daniel, Field Artillery.  
 First Lieut. Alexander Hamilton Perwein, Infantry.  
 First Lieut. Clovis Ethelbert Byers, Cavalry.  
 First Lieut. Tracey Enfield Davis, Infantry.  
 First Lieut. Oscar Raymond Johnston, Infantry.  
 First Lieut. George Andrew Rehm, Cavalry.  
 First Lieut. Edward Carl Engelhart, Coast Artillery Corps.  
 First Lieut. Charles Whitney West, Coast Artillery Corps.  
 First Lieut. Park Brown Herrick, Field Artillery.  
 First Lieut. Herbert Carl Reuter, Coast Artillery Corps.  
 First Lieut. Helmer William Lystad, Infantry.  
 First Lieut. Harold Edward Snyder, Infantry.  
 First Lieut. Esber Claflin Burkart, Cavalry.  
 First Lieut. Thomas Eginton Whitehead, Cavalry.  
 First Lieut. Alexander George, Cavalry.  
 First Lieut. Charles Kenon Gailey, jr., Infantry.  
 First Lieut. Mortimer Frederick Wakefield, Field Artillery.

First Lieut. Francis William Farrell, Infantry.  
 First Lieut. Wilmer Brinton Merritt, Coast Artillery Corps.  
 First Lieut. Harry Clark Wisehart, Coast Artillery Corps.  
 First Lieut. John Irvin Gregg, jr., Cavalry.  
 First Lieut. Charles Morton Adams, jr., Infantry.  
 First Lieut. Frank Hoben Blodgett, Infantry.  
 First Lieut. John Ferral McBlain, Air Service.  
 First Lieut. Richard Meade Costigan, Field Artillery.  
 First Lieut. Gustave Harold Vogel, Coast Artillery Corps.  
 First Lieut. Basil Girard Thayer, Cavalry.  
 First Lieut. Edward Joseph Sullivan, Chemical Warfare Service.

First Lieut. James Perrine Barney, jr., Field Artillery.  
 First Lieut. Wilbur Sturtevant Nye, Field Artillery.  
 First Lieut. Charles Harlan Swartz, Field Artillery.  
 First Lieut. Leland Stuart Smith, Coast Artillery Corps.  
 First Lieut. Carl Frederick Duffner, Infantry.  
 First Lieut. Wilburn Vastine Lunn, Coast Artillery Corps.  
 First Lieut. Millard Pierson, Field Artillery.  
 First Lieut. Francis Ward Walker, Coast Artillery Corps.  
 First Lieut. Harold Oliver Sand, Cavalry.  
 First Lieut. Harlan Thurston McCormick, Air Service.  
 First Lieut. Henry Peter Burgard, 2d, Infantry.  
 First Lieut. Alexander Gilbert Sand, Field Artillery.  
 First Lieut. Ray Olander Welch, Infantry.  
 First Lieut. George William Richard Wilson, Infantry.  
 First Lieut. John Lamont Davidson, Air Service.  
 First Lieut. Julian Erskine Raymond, Infantry.  
 First Lieut. George Honnen, Infantry.  
 First Lieut. Charles Porter Amazeen, Cavalry.  
 First Lieut. Edward Thomas Williams, Field Artillery.  
 First Lieut. Frank Thweatt Searcy, Infantry.  
 First Lieut. George William Bailey, jr., Field Artillery.  
 First Lieut. Henry Kirk Williams, jr., Coast Artillery Corps.  
 First Lieut. Alan Lockhart Fulton, Cavalry.  
 First Lieut. Terrence John Tully, Infantry.  
 First Lieut. Paul Clarence Kelly, Infantry.  
 First Lieut. James Miller Rudolph, Cavalry.  
 First Lieut. William Earl Crist, Infantry.  
 First Lieut. William Roe Brewster, Infantry.  
 First Lieut. Claude Monroe McQuarrie, Infantry.  
 First Lieut. William Lemuel Mitchell, Infantry.  
 First Lieut. Harrison Guinther Travis, Infantry.  
 First Lieut. Escalus Emmert Elliott, Field Artillery.  
 First Lieut. Milton Cogswell Shattuck, Infantry.  
 First Lieut. Joseph Vincent de Paul Dillon, Coast Artillery Corps.

First Lieut. Hayden Adriance Sears, Cavalry.  
 First Lieut. Newton Navada Jacobs, Infantry.  
 First Lieut. John Thomas Lynch, Infantry.  
 First Lieut. John Black Reybold, Cavalry.  
 First Lieut. John Raul Guiteras, Infantry.  
 First Lieut. William Dickey Long, Infantry.  
 First Lieut. Henry Irving Hodes, Cavalry.  
 First Lieut. Paul Earl Tombaugh, Field Artillery.  
 First Lieut. Harvey Kenneth Greenlaw, Cavalry.  
 First Lieut. William Joel Tudor Yancey, Infantry.  
 First Lieut. Leon Eugene Lichtenwalter, Infantry.  
 First Lieut. Sidney Rae Hinds, Infantry.  
 First Lieut. Halley Grey Maddox, Cavalry.  
 First Lieut. Snowden Ager, Cavalry.  
 First Lieut. John English Nelson, Infantry.  
 First Lieut. Harold Todd Turnbull, Coast Artillery Corps.  
 First Lieut. Hugo Peoples Rush, Infantry.  
 First Lieut. John William Wofford, Cavalry.  
 First Lieut. Wray Bertrand Avera, Field Artillery.  
 First Lieut. Charles Fox Ivins, Infantry.  
 First Lieut. Walter Daniel Buie, Infantry.  
 First Lieut. John Taylor Ward, Cavalry.  
 First Lieut. John Elmer Reiersen, Coast Artillery Corps.  
 First Lieut. Henry Jackson Hunt, jr., Infantry.  
 First Lieut. Mariano S. Sulit, Philippine Scouts.  
 First Lieut. George Huston Bare, Infantry.  
 First Lieut. Morris Haslett Marcus, Cavalry.  
 First Lieut. Frank Zea Pirkey, Corps of Engineers.  
 First Lieut. Karl William Hisgen, Field Artillery.  
 First Lieut. Joseph Patterson Wardlaw, Field Artillery.  
 First Lieut. James Harry Marsh, Infantry.  
 First Lieut. Francis Warren Crary, Field Artillery.  
 First Lieut. John Baylis Cooley, Cavalry.  
 First Lieut. Selby Francis Little, Field Artillery.  
 First Lieut. Milo Glen Cary, Coast Artillery Corps.  
 First Lieut. Harold Joseph Conway, Coast Artillery Corps.  
 First Lieut. Gustin MacAllister Nelson, Infantry.  
 First Lieut. Frank Joseph Spettel, Infantry.

First Lieut. Rupert Harris Johnson, Infantry.  
 First Lieut. Burwell Baylor Wilkes, jr., Infantry.  
 First Lieut. Edward Lowry Traylor, Infantry.  
 First Lieut. John Barry Peirce, Infantry.  
 First Lieut. James Raymond Goodall, Coast Artillery Corps.  
 First Lieut. John Kenneth Sells, Cavalry.  
 First Lieut. Douglas Cameron, Cavalry.  
 First Lieut. Hobert Hayden James, Field Artillery.  
 First Lieut. Eleuterio Susi Yanga, Philippine Scouts.  
 First Lieut. Donald Raymond West, Quartermaster Corps.  
 First Lieut. Robert Thomas Randel, Infantry.  
 First Lieut. Arthur Jennings Grimes, Infantry.  
 First Lieut. Walter Duval Webb, jr., Field Artillery.  
 First Lieut. Ernest Starkey Noon, Air Service.  
 First Lieut. Harry Craven Dayton, Field Artillery.  
 First Lieut. Frank Thomas Honsinger, Air Service.  
 First Lieut. Edward Charles Engelhardt, Field Artillery.  
 First Lieut. Paul Massillion McConihe, Infantry.  
 First Lieut. Chester Arthur Caristen, Infantry.  
 First Lieut. Joseph Myles Williams, Cavalry.  
 First Lieut. Harold Arthur Doherty, Infantry.  
 First Lieut. James Thomas Dismuke, Infantry.  
 First Lieut. Lewis Eugene Snell, Field Artillery.  
 First Lieut. Stanley Lane Engle, Infantry.  
 First Lieut. Arnold Hoyer Rich, Infantry.  
 First Lieut. Charles Dawson McAllister, Field Artillery.  
 First Lieut. Vincent Joseph Tanzola, Infantry.  
 First Lieut. Edward Albert Banning, Infantry.  
 First Lieut. Frederic deLannoy Comfort, Cavalry.  
 First Lieut. Henry Laurance Ingham, Field Artillery.  
 First Lieut. Thomas Brown Manuel, Infantry.  
 First Lieut. Percy Earle LeStourgeon, Infantry.  
 First Lieut. George William White, Infantry.  
 First Lieut. Russell Harold Swartzwelder, Infantry.  
 First Lieut. Caryl Rawson Hazeltine, Infantry.  
 First Lieut. Irvin Albert Robinson, Infantry.  
 First Lieut. William Hypes Obenour, Field Artillery.  
 First Lieut. Michael Henry Zwicker, Coast Artillery Corps.  
 First Lieut. James Thorburn Cumberpatch, Air Service.  
 First Lieut. Ralph Roth Wentz, Ordnance Department.  
 First Lieut. Leon Valentine Chaplin, Field Artillery.  
 First Lieut. Daniel Webster Kent, Infantry.  
 First Lieut. Harold Goodspeede Laub, Coast Artillery Corps.  
 First Lieut. Harry Lynch, Signal Corps.  
 First Lieut. George Marion Davis, Infantry.  
 First Lieut. Fay Warren Lee, Field Artillery.  
 First Lieut. Keff Dobbs Barnett, Coast Artillery Corps.  
 First Lieut. Melecio Manuel Santos, Philippine Scouts.  
 First Lieut. Narciso Lopez Manzano, Philippine Scouts.  
 First Lieut. Charles Emmett Cheeper, Quartermaster Corps.  
 First Lieut. Vesper Anderson Schlenker, Field Artillery.  
 First Lieut. Harry Meyer, Corps of Engineers.  
 First Lieut. Peter Anthony Feringa, Corps of Engineers.  
 First Lieut. John Russell Perkins, jr., Field Artillery.  
 First Lieut. Edward Barber, Coast Artillery Corps.  
 First Lieut. Edward Hall Walter, Corps of Engineers.  
 First Lieut. David Albert Morris, Corps of Engineers.  
 First Lieut. Juan Segundo Moran, Philippine Scouts.  
 First Lieut. Paul Cone Parshley, Corps of Engineers.  
 First Lieut. Lewis Wellington Call, jr., Coast Artillery Corps.  
 First Lieut. Richardson Selee, Corps of Engineers.  
 First Lieut. Luis Mobo Alba, Philippine Scouts.  
 First Lieut. Don Waters Mayhue, Field Artillery.  
 First Lieut. Charles Harold Crim, Coast Artillery Corps.  
 First Lieut. John Harry, Field Artillery.  
 First Lieut. Harold Oakes Bixby, Coast Artillery Corps.  
 First Lieut. John Bruce Medaris, Infantry.  
 First Lieut. George Randall Scithers, Field Artillery.  
 First Lieut. John Henry Featherston, Coast Artillery Corps.  
 First Lieut. Charles Andrews Jones, jr., Chemical Warfare Service.

First Lieut. William Conrad Jones, Infantry.  
 First Lieut. Hubert Stauffer Miller, Infantry.  
 First Lieut. Edward Harold Coe, Infantry.  
 First Lieut. Allan Eugene Smith, Field Artillery.  
 First Lieut. Daniel Burnett Knight, Infantry.  
 First Lieut. Paul MacKeen Martin, Cavalry.  
 First Lieut. Creswell Garrettson Blakeney, Field Artillery.  
 First Lieut. Louis Jeter Tatom, Signal Corps.  
 First Lieut. George Wythe Bott, jr., Ordnance Department.  
 First Lieut. Louis Watkins Prentiss, Field Artillery.  
 First Lieut. William Edmund Waters, Field Artillery.  
 First Lieut. Joseph Kennard Bush, Infantry.  
 First Lieut. Orlando Clarendon Mood, Infantry.  
 First Lieut. John Oliver Kelly, Coast Artillery Corps.



First Lieut. Bert Nathan Bryan, Infantry.  
 First Lieut. Harvie Rogers Matthews, Infantry.  
 First Lieut. Louis Beman Rapp, Cavalry.  
 First Lieut. Edwards Matthews Quigley, Field Artillery.  
 First Lieut. James Breckenridge Clearwater, Field Artillery.  
 First Lieut. Joseph Warren Huntress, jr., Quartermaster Corps.

First Lieut. Luther Daniel Wallis, Infantry.  
 First Lieut. William Daniel Bradshaw, Field Artillery.  
 First Lieut. Wesley Tate Guest, Signal Corps.  
 First Lieut. Duncan Philip Frissell, Infantry.  
 First Lieut. Henry Hammond Duval, Coast Artillery Corps.  
 First Lieut. Charles Edward Neagle, Coast Artillery Corps.  
 First Lieut. John William Dwyer, Coast Artillery Corps.  
 First Lieut. Alfred Vepsala, Field Artillery.  
 First Lieut. Edmund C. Langmead, Air Service.  
 First Lieut. Carroll Heiney Deitrick, Ordnance Department.  
 First Lieut. Burton Larrabee Pearce, Field Artillery.  
 First Lieut. Alan Dean Whittaker, jr., Coast Artillery Corps.  
 First Lieut. Lee W. Haney, Infantry.  
 First Lieut. David William Goodrich, Air Service.  
 First Lieut. Franklin Mitchell, Infantry.  
 First Lieut. Wallace Ellsworth Niles, Infantry.  
 First Lieut. Lewis Edward Weston Lepper, Field Artillery.  
 First Lieut. Edward Harris Barr, Field Artillery.  
 First Lieut. James Augustus Whelen, jr., Cavalry.  
 First Lieut. James Roscoe Hamilton, Infantry.  
 First Lieut. Joe Robert Sherr, Signal Corps.  
 First Lieut. Henry Chester Jones, Infantry.  
 First Lieut. Louis Simelson, Infantry.  
 First Lieut. Frank Weddall Simpson, Coast Artillery Corps.  
 First Lieut. Louis Leopold Lesser, Field Artillery.  
 First Lieut. Walter Francis Jennings, Cavalry.  
 First Lieut. Edward Cuyler Applegate, Infantry.  
 First Lieut. Henry Louis Love, Field Artillery.  
 First Lieut. Cranford Coleman Bryan Warden, Infantry.  
 First Lieut. William Dawes Williams, Field Artillery.  
 First Lieut. William Thomas Semmes Roberts, Infantry.  
 First Lieut. McDonald Donegan Weinert, Infantry.  
 First Lieut. John Walker Childs, Signal Corps.  
 First Lieut. Carl Emil Hansen, Coast Artillery Corps.  
 First Lieut. Charles Donald Clay, Infantry.  
 First Lieut. Wilmar Weston Dewitt, Infantry.  
 First Lieut. James Milliken Bevans, Field Artillery.  
 First Lieut. Floyd Raymond Brisack, Field Artillery.  
 First Lieut. Clarence Everett Jackson, Infantry.  
 First Lieut. Edward Joseph Walsh, Infantry.  
 First Lieut. Haydn Purcell Roberts, Field Artillery.  
 First Lieut. Aaron Grayson Dawson, Infantry.  
 First Lieut. Alan Sydney Rush, Infantry.  
 First Lieut. Clifford Cleophas Duell, Field Artillery.  
 First Lieut. Lauren Blakely Hitchcock, Field Artillery.  
 First Lieut. Thomas Archer Bottomley, Infantry.  
 First Lieut. William Orville Collins, Infantry.  
 First Lieut. William Larwill Carr, Field Artillery.  
 First Lieut. Russell George Duff, Field Artillery.  
 First Lieut. Ross Clyde Brackney, Infantry.  
 First Lieut. John Randolph Reilly, Infantry.  
 First Lieut. Roy Prewett Huff, Field Artillery.  
 First Lieut. Herbert John Affleck, Infantry.  
 First Lieut. Nicolas Boadilla Dalao, Philippine Scouts.  
 First Lieut. Lawrence August Dietz, Infantry.  
 First Lieut. Paul Hanes Kemmer, Air Service.  
 First Lieut. Elmo Shingle, Infantry.  
 First Lieut. Richard Sears, Field Artillery.  
 First Lieut. John James Baker, Infantry.  
 First Lieut. George Louis Boyle, Infantry.  
 First Lieut. Robert Brice Johnston, Infantry.  
 First Lieut. Paul Ainsworth Berkey, Field Artillery.  
 First Lieut. Robert Clyde Padley, Coast Artillery Corps.  
 First Lieut. Dana Gray McBride, Cavalry.  
 First Lieut. Donald Boyer Phillips, Air Service.  
 First Lieut. William Wallace Robertson, Infantry.  
 First Lieut. William Peyton Campbell, Field Artillery.  
 First Lieut. Harry Starkey Aldrich, Coast Artillery Corps.  
 First Lieut. Hugh Perry Adams, Field Artillery.  
 First Lieut. Cecil Elmore Archer, Air Service.  
 First Lieut. Thomas Edward Moore, Field Artillery.  
 First Lieut. Robert Du Val Waring, Field Artillery.  
 First Lieut. Stephen Yates McGiffert, Field Artillery.  
 First Lieut. John Otis Hyatt, Infantry.  
 First Lieut. Louis Meline Merrick, Cavalry.  
 First Lieut. LeRoy Ponton de Arce, Air Service.  
 First Lieut. Lee Roy Woods, jr., Field Artillery.  
 First Lieut. Rex Hunter Donaldson, Field Artillery.

First Lieut. Dudley Warren Watkins, Air Service.  
 First Lieut. Arthur Nathaniel Willis, Cavalry.  
 First Lieut. Lyman Perley Whitten, Air Service.  
 First Lieut. Lawrence William Kinney, Field Artillery.  
 First Lieut. Ray Henry Clark, Air Service.  
 First Lieut. Homer Wilbur Ferguson, Field Artillery.  
 First Lieut. Earl Albert Hutchings, Infantry.  
 First Lieut. James Richmond Simpson, Infantry.  
 First Lieut. Philip Schwartz, Ordnance Department.  
 First Lieut. Richard Brown Thornton, Infantry.  
 First Lieut. Pacifico C. Sevilla, Philippine Scouts.  
 First Lieut. Charles Nicholas Senn Ballou, Infantry.  
 First Lieut. John Cyril Delaney, Coast Artillery Corps.  
 First Lieut. Samuel Rubin, Coast Artillery Corps.  
 First Lieut. Donald Wallace Norwood, Air Service.  
 First Lieut. Waldon Sharp Lewis, Infantry.  
 First Lieut. Andrew Julius Evans, Infantry.  
 First Lieut. Paul Corson Howe, Coast Artillery Corps.  
 First Lieut. Albert Ruth, Infantry.  
 First Lieut. Robert Edward Robillard, Air Service.  
 First Lieut. Donald McKechnie Ashton, Infantry.  
 First Lieut. Edward Alfred Mueller, Infantry.  
 First Lieut. Robert William Calvert Wimsatt, Air Service.  
 First Lieut. Amado Martelino, Philippine Scouts.  
 First Lieut. Victor Z. Gomez, Philippine Scouts.  
 First Lieut. David Theodore Rosenthal, Corps of Engineers.  
 First Lieut. Clayton Huddle Studebaker, Field Artillery.  
 First Lieut. Albert James Wick, Coast Artillery Corps.  
 First Lieut. Joseph Brenner, Infantry.  
 First Lieut. Raymond Taylor Tompkins, Field Artillery.  
 First Lieut. George Alfred Arnold Jones, Field Artillery.  
 First Lieut. George Evans Burritt, Field Artillery.  
 First Lieut. William Madison Mack, Signal Corps.  
 First Lieut. Robert Crane Hendley, Field Artillery.  
 First Lieut. Walter J. Klepinger, Field Artillery.  
 First Lieut. Grady David Epps, Infantry.  
 First Lieut. Frank Charles McConnell, Coast Artillery Corps.  
 First Lieut. Dale Phillip Mason, Signal Corps.  
 First Lieut. Donald Fowler Fritch, Field Artillery.  
 First Lieut. Nemeso Catalan, Philippine Scouts.  
 First Lieut. James Madison Callcutt, Field Artillery.  
 First Lieut. Reginald Pond Lyman, Cavalry.  
 First Lieut. James Stuart Wallingford, Infantry.  
 First Lieut. Albert Sidney Howell, jr., Infantry.  
 First Lieut. John Sharpe Griffith, Infantry.  
 First Lieut. Pio Quevedo Caluya, Philippine Scouts.  
 First Lieut. George Work Marvin, Infantry.

#### PROMOTIONS IN THE NAVY.

Capt. Montgomery M. Taylor to be a rear admiral in the Navy from the 1st day of October, 1922.

Capt. Carl T. Vogelgesang to be a rear admiral in the Navy from the 15th day of October, 1922.

The following-named commanders to be captains in the Navy from the 3d day of June, 1922:

Robert L. Berry.  
 William R. Sayles, jr.  
 Edwin H. Dodd.

Commander Louis Shane, an additional number in grade, to be a captain in the Navy from the 3d day of June, 1922.

Commander John G. Church to be a captain in the Navy from the 1st day of October, 1922.

Commander Herbert C. Cocke to be a captain in the Navy from the 15th day of October, 1922.

Lieut. Commander Leigh M. Stewart to be a commander in the Navy from the 21st day of May, 1922.

The following-named lieutenant commanders to be commanders in the Navy from the 3d day of June, 1922:

Francis M. Robinson.	Damon E. Cummings.
Robert W. Cabaniss.	Warren G. Child.
Weyman P. Beehler.	Bryson Bruce.
Joseph S. Evans.	Vaughn V. Woodward.
Charles A. Dunn.	Robert T. S. Lowell.
Archibald G. Stirling.	Richard S. Edwards.
David A. Scott.	Clyde R. Robinson.
Lemuel M. Stevens.	Irving H. Mayfield.
John W. W. Cumming.	Harvey W. McCormack.
Horace T. Dyer.	Philip H. Hammond.
Russell S. Crenshaw.	John M. Schelling.
Herbert S. Babbitt.	Bert B. Taylor.
Randall Jacobs.	

Lieut. Commander William O. Wallace to be a commander in the Navy, from the 7th day of July, 1922.

Lieut. Commander William S. Farber to be a commander in the Navy, from the 15th day of October, 1922.

Lieut. Commander George M. Ravenscroft to be a commander in the Navy, from the 12th day of November, 1922.

Lieut. Ralph E. Sampson to be a lieutenant commander in the Navy, from the 3d day of June, 1921.

Lieut. John R. Peterson, jr., to be a lieutenant commander in the Navy, from the 31st day of December, 1921.

Lieut. Joseph McE. Smith to be a lieutenant commander in the Navy, from the 19th day of April, 1922.

Lieut. George J. McMillin to be a lieutenant commander in the Navy, from the 27th day of April, 1922.

Lieut. William H. O'Brien, jr., to be a lieutenant commander in the Navy, from the 2d day of May, 1922.

Lieut. Howard F. Kingman to be a lieutenant commander in the Navy, from the 17th day of May, 1922.

Lieut. James G. B. Gromer to be a lieutenant commander in the Navy, from the 21st day of May, 1922.

The following named lieutenants to be lieutenant commanders in the Navy, from the 3d day of June, 1922:

William M. Quigley.	Lunsford L. Hunter.
Calvin H. Cobb.	Forrest U. Lake.
Norman Scott.	Elliott Buckmaster.
Richard P. Myers.	Walter S. DeLany.
Howard D. Bode.	Clarence Gulbranson.
Robert M. Doyle, jr.	Donald F. Patterson.
Morton L. Deyo.	Herbert G. Gates, jr.
Robert M. Hinckley.	Louis E. Denfeld.
Charles M. McMorris.	Nathan B. Chase.
John H. Holt, jr.	Alexander W. Loder.
Rivers J. Carstarphen.	Howard H. Good.
Lee C. Carey.	Carleton H. Wright.
Conrad Ridgely.	Herman E. Fischer.
Webb C. Hayes.	James A. Saunders.
Harold E. Snow.	Andrew C. Bennett.
Richard H. Booth.	Oliver W. Bagby.
Harold T. Bartlett.	James C. Clark.
Ralph S. Parr.	Carl G. Gilliland.
Virgil C. Griffin, jr.	Warren A. Shaw.
William A. Corley.	Guy C. Hitchcock.
Benjamin Perlman.	Ralph S. Wentworth.
Ernest G. Small.	Mahlon S. Tisdale.
Robertson J. Weeks.	Davis De Treville.
Harry G. Patrick.	Raymond E. Kerr.
Alfred E. Montgomery.	George H. Fort.
Eugene P. A. Simpson.	Ernest W. Broadbent.
Lawrence P. Bischoff.	Robert R. Thompson.
James C. Monfort.	Nelson W. Hibbs.
Harold Dodd.	Emory P. Eldredge.
Robert A. Hall.	Wentworth H. Osgood.
Anton B. Anderson.	Donald W. Hamilton.
George L. Woodruff.	Heister Hoogewerff.
Fred Welden.	George W. D. Dashiell.
Robert S. Haggart.	George W. La Mountain.
Philip Van Horn Weems.	William S. Hogg, jr.

Lieut. Stephan B. Robinson to be a lieutenant commander in the Navy from the 12th day of July, 1922.

Lieut. William G. Greenman to be a lieutenant commander in the Navy from the 23d day of August, 1922.

Lieut. (Junior Grade) Lewis H. McDonald to be a lieutenant in the Navy from the 6th day of June, 1920.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of July, 1920:

Marcus C. Miller.  
Samuel H. Hurt.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 31st day of December, 1921:

William B. Stork.	Dolle Greenwell.
Ralph G. Moody.	Marcus L. Kurtz.
William F. Schlegel.	Homer B. Davis.
Asa Van R. Watson.	John J. Clausey.
Ludwig W. Gumz.	Frederick Petry.
Henry A. Stuart.	Sol Shaw.
Walter B. Buchanan.	Wilmer W. Weber.
Elmer B. Robinson.	Raymond C. McDuffie.
William J. Graham.	Arthur L. Karns.
Clyde Morrison.	John F. W. Gray.
Elijah E. Tompkins.	Edwin Nelson.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of January, 1922:

Percival W. Buzby.  
Carl Hupp.

Lieut. (Junior Grade) Stephen E. Haddon to be a lieutenant in the Navy from the 2d day of January, 1922.

Lieut. (Junior Grade) Frank A. Brandecker to be a lieutenant in the Navy from the 8th day of January, 1922.

Lieut. (Junior Grade) William E. McClendon to be a lieutenant in the Navy from the 1st day of February, 1922.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 11th day of February, 1922:

Henry C. Flanagan.  
Frank A. Saunders.

Lieut. (Junior Grade) Jesse G. McFarland to be a lieutenant in the Navy from the 4th day of March, 1922.

Lieut. (Junior Grade) William Wakefield to be a lieutenant in the Navy from the 2d day of April, 1922.

Lieut. (Junior Grade) Richard C. Bartlett to be a lieutenant in the Navy from the 1st day of May, 1922.

Lieut. (Junior Grade) James D. Barner to be a lieutenant in the Navy from the 17th day of May, 1922.

Lieut. (Junior Grade) Clyde L. Lewis to be a lieutenant in the Navy from the 21st day of May, 1922.

Lieut. (Junior Grade) Malcolm F. Schoeffel to be a lieutenant in the Navy from the 26th day of May, 1922.

Lieut. (Junior Grade) Thomas G. W. Settle to be a lieutenant in the Navy from the 27th day of May, 1922.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 3d day of June, 1922:

Ralph A. Ofstie.	Philip P. Welch.
Herbert M. Scull.	James J. Hughes.
Howard W. Fitch.	John J. Patterson, 3d.
Gordon M. Jackson.	Adrian O. Rule, jr.
William E. Hilbert.	Walther G. Maser.
Albert T. Sprague, 3d.	Walton R. Read.
Thomas P. Jeter.	William E. Tarbutton.
David H. Clark.	Robert M. Smith, jr.
Festus F. Foster.	Paul H. Talbot.
James J. Graham.	Fred W. Beltz.
Valentine H. Schaeffer.	John G. Crawford.
John W. Roper.	James G. Atkins.
Harry B. Slocum.	Cyril K. Wildman.
Harry R. Thurber.	Carleton McGauly.
Lyle N. Morgan.	Giles E. Short.
Cuthbert A. Griffiths.	Harold M. Martin.
Harry M. Jones.	John R. Redman.
Ernest H. von Heimburg.	Arthur P. Thurston.
Douglas A. Powell.	Scott G. Lamb.
Rex L. Hicks.	John H. Cassidy.
Matthias B. Gardner.	Henry R. Herbst.
Creighton C. Carmine.	Henry D. Baggett.
Ernest E. Herrmann.	Ralph W. Hungerford.
Hugh W. Olds.	James D. Lowry, jr.
Hobart A. Sailor.	Eric M. Grimsley.
Adolph O. Gieselmann.	Charles L. Andrews, jr.
Jeffrey C. Metzler.	Alonzo B. Alexander.
Russell M. Ihrlig.	Charles J. Rend.
Ralph H. Roberts.	Henry C. Fengar.
Eugene L. Kell.	Marshall R. Greer.
William C. Vose.	Harry A. Rochester.
Robert P. Briscoe.	Carl K. Fink.
James B. Sykes.	Walter C. Ansel.
Clarence H. Schildhauer.	Miles P. Duval, jr.
Franz O. Willenbacher.	Elmer R. Runquist.
William H. Ferguson.	Daniel M. McGurl.
Morton T. Seligman.	Stephen K. Hall.
John O. Huse.	Robert B. Crichton.
Charles J. Palmer.	James L. Holloway, jr.
Logan C. Ramsey.	John B. McDonald, jr.
William E. Clayton.	Paul D. Dingwell.
Julian B. Noble.	Frank V. Aler, jr.
Elmer R. Hill.	Francis H. Gilmer.
Bayard H. Colyear.	Charles R. Smith.
Charles B. Hunt.	Dixie Kiefer.
Albert P. Burleigh.	John L. Reynolds.
John B. Griggs, jr.	Ross A. Dierdorff.
Eliot H. Bryant.	Herbert S. Woodman.
David S. Crawford.	Desmond J. Sinnott.
Robert L. Boller.	Spencer H. Warner.
Ten Eyck De Witt Veeder, jr.	Robert F. MacNally.
Arthur F. Folz.	Samuel B. Ogden.
Truman E. Ayers.	Charles S. Seely.
Raymond G. Deewall.	William E. Phillips.
Charles M. Johnson.	Earl B. Brix.
Charles F. Waters.	Henry L. Pitts.
Percy A. Decker.	Edward J. Lysaught.
Charles R. Jeffs.	Edward B. Peterson.
DeForest L. Trautman.	Joseph S. Ives.
Walter E. Andrews.	Caleb R. Crandall.
John E. Dingwell.	Raymond E. Farnsworth.
Leslie E. Gehres.	Norman E. Millar.
Leo L. Waite.	Raymond E. Daniels.
George H. Mills.	Lawrence S. Tichenor.
John C. Williams.	Hermann P. Knickerbocker.
Dorrance K. Day.	



\*Lieut. (Junior Grade) Frederick W. Ickes to be a lieutenant in the Navy from the 1st day of July, 1922.

Lieut. (Junior Grade) Charles F. Grisham to be a lieutenant in the Navy from the 4th day of July, 1922.

Lieut. (Junior Grade) Howard R. Shaw to be a lieutenant in the Navy from the 16th day of August, 1922.

Ensign Samuel H. Hurt to be a lieutenant (junior grade) in the Navy from the 29th day of June, 1920.

Ensign Orrin R. Hewitt to be a lieutenant (junior grade) in the Navy from the 31st day of December, 1921.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 31st day of December, 1921:

Thomas Macklin.	James M. MacDonnell.
Robert G. Greenleaf.	Elery A. Zehner.
George D. Samonski.	Elmer J. McCluen.
Ernest W. Dobie.	Francis P. Brewer.
Michael J. Conlon.	Ralph A. Scott.
Frank Schultz.	Emmette F. Gumm.
August Logan.	Frank V. Shepard.
Norman McL. McDonald.	Harry F. Gray.
John P. Millon.	John F. P. Miller.
Alfred Doucet.	Albert R. Colwell.
Everest A. Whited.	Glenn O. Twiss.
George T. Campbell.	William P. Turner.
Warwick M. Tinsley.	Alfred R. Boileau.
John F. Piotrowski.	Thomas Fertner.
William K. Johnstone.	Carter E. Parker.
Clarence H. Fogg.	Joe S. Wier.
Abram L. Broughton.	Carl I. Ostrom.
William Klaus.	Brady J. Dayton.
Harold F. MacHugh.	Arthur D. Murray.
Loar Mansbach.	Joseph A. Clark.
William J. Russell.	Thom H. Williamson.
Clarence A. Hawkins.	George H. Toepfer.
William J. Poland.	Harry A. Wentworth.
Emil H. Petri.	Edward Danielson.
Harold Bye.	Ira W. Truitt.
George H. Turner.	Arthur Brown.
Percy S. Hogarth.	Philip L. Emerson.
John L. Graham.	Lawrence K. Beaver.
Ralph M. Gerth.	Charlie S. East.
Stockard R. Hickey.	John E. Canoose.
Benjamin J. Shinn.	William M. McDade.
Howard E. Haynes.	John C. Redman.
Frederick J. Silvernail.	John B. McGovern.
Andrew Simmons.	Philip H. Taft.
Charles W. Van Horn.	Thomas J. Eggleston.
William D. Dadd.	Rudolph Oeser.
David F. Mead.	Robert H. Barnes.
George W. Waldo.	Ewell K. Jett.
William T. Shaw.	Rudolph P. Bielka.
James D. Brown.	

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of January, 1922:

William R. Dolan.  
Maxemillian B. De Leshe.  
Thomas O. Brandon.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 31st day of January, 1922:

Roger K. Hodsdon.	William N. Thornton.
Terence W. Greene.	Burton E. Rokes.
Ernest V. Abrams.	Donald R. Comstock.
Lloyd K. Cleveland.	Edgar V. Carrithers.
Rodney H. Dobson.	

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of February, 1922:

Dennis B. Boykin.  
Martin Nyburg.  
William F. Skyles.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of March, 1922:

Ashton B. Smith.  
George Walker.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 22d day of April, 1922:

George L. Bright.	John D. Murphy.
William G. Dow.	Robert E. Permut.
Harold B. Herty.	Harold B. Corwin.
Samuel S. Fried.	John A. Pierson.
Charles R. Price.	Charles H. Ross.
Thomas J. Bay.	George K. G. Reilly.
Edgar L. Adams.	Paul G. Wrenn.
Paul L. Mather.	James S. Warner.
Floyd J. Nuber.	William M. M. Lobrano.
Edwin C. Millhouse.	Alan F. Winslow.

Charles R. Will.  
Robert K. Madsen, jr.  
Harold W. Alden.  
Arthur W. Peterson.  
George E. Twining.  
Charles C. Ferrenz.  
James B. Bliss.  
Robert W. Boughter.  
George E. Kenyon.  
Benton B. Baker.  
Clifford B. Schiano.  
Albert R. Buehler.  
Thomas F. Hayes.  
Herbert Loewy.  
Robert F. Stockin.  
Florentin P. Wencker.  
Charles D. Hickox.  
Malcolm D. MacGregor.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 2d day of May, 1922:

Laurence Bennett.  
Albert M. Van Eaton.  
Harold J. Bellingham.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 10th day of May, 1922:

Sumner C. Cheever.  
Albert E. Conlon.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 7th day of June, 1922:

Emmet P. Forrestel.  
George M. Dusenberre.  
William Sinton.  
Abel C. J. Sabalot.  
Virgil E. Korns.  
William E. A. Mullan.  
Frank Rorschach, jr.  
George H. Dana.  
Kendall S. Reed.  
Donald T. Whitmer.  
Ernest W. Litch.  
Burton L. Hunter, jr.  
Sam L. LaHache.  
John W. Marts, jr.  
Benton W. Decker.  
John P. Curtis.  
Warner W. Angerer.  
Richard S. Morse.  
Charles S. Beightler.  
William W. Fife.  
Herbert Finebaum.  
Mead S. Pearson.  
Harold R. Parker.  
Clarence F. Swanson.  
Lewis Corman.  
Edwin F. Conway.  
Horace Burrough, 3d.  
Kenneth E. Brimmer.  
Roscoe H. Hillenkoetter.  
Clarence J. Ballreich.  
George F. Prestwich.  
Mark H. Harrington.  
Asel B. Kerr.  
William I. Leahy.  
Allen P. Mullinnix.  
William B. Goggins.  
Charles B. Momsen.  
Roger Brooks.  
Morton B. Sterling.  
William G. Tomlinson.  
John P. Graff.  
Richard C. Wiestling.  
Harvey Wilson.  
Robert C. Warrack.  
Douglass P. Johnson.  
William H. Wallace.  
Charles B. Gary.  
Carroll L. Tyler.  
Samuel W. Canan.  
John P. Vetter.  
Harold C. Fitz.  
Fridthjof W. Londahl.  
Henry N. Mergen.  
Olin R. Miner.  
Lyman S. Perry.  
Frank C. L. Dettmann.

Russell D. Bell.  
Henry L. Naff.  
Clyde A. Coggins.  
Otto F. Johanns.  
John F. Wegforth.  
Frederick L. Farrell.  
John A. Paulson.  
William B. Coleman.  
Elder P. Johnson.  
Benjamin C. Purrington.  
Harold J. Walker.  
Arthur H. Small.  
Ralph W. Bowers.  
Anton L. Mare.  
Le Roy A. Nelson.  
Louis C. De Rochemont.  
Edward R. J. Griffin.  
Emanuel Taylor.

John E. Gabrielson.  
George C. Weldin.

Marion E. Crist.  
Alva J. Spriggs.  
Donald R. Osborn, jr.  
Morris B. Myers.  
LaRue C. Lawbaugh.  
Edward E. Pare.  
William A. P. Martin, jr.  
Richard Highleyman.  
Walter H. Roberts.  
John Perry.  
Oberlin C. Laird.  
Thomas S. Combs.  
Frederick V. Barker.  
George P. Kraker.  
Robert E. Melling.  
Michael D. Dearth.  
George E. Rosenberry.  
Herbert G. Hopwood.  
Henry G. Chalkley, jr.  
James B. Donnelly.  
Robert H. Smith.  
John F. Gillon.  
Rockwell J. Townsend.  
Russell Keith.  
Charles C. Hartman.  
Alf O. R. Bergesen.  
Barnett T. Talbot.  
Robert P. Erdman.  
Charles R. Skinner.  
George F. Burdick.  
Ellsworth D. McEathron.  
Allen Hobbs.  
John C. Webb.  
John E. Shoemaker.  
Earl R. DeLong.  
Theodore G. Haff.  
William J. Strother, jr.  
Francis B. Stodert.  
John W. Higley.  
Neill D. Brantly.  
Horton I. Booker.  
George B. Cunningham.  
Edwin C. Bain.  
Norman S. Ives.  
Chester A. Swafford.  
Clayton S. Isgrig.  
Harold Coldwell.  
James H. McKay.  
Frank H. Conant, 2d.  
Frederick R. Buse.  
Hugh P. Kirby.  
Jewett P. Moncure.  
Amariah B. Cartwright.  
Thomas T. Craven.  
Orin S. Haskell.  
Maurice E. Hatch.

Carleton C. Champion, jr.  
Merrill F. Sproul.  
Drayton Harrison.  
Maurice E. Curts.  
William H. Buracker.  
Eugene F. Burkett.  
Charles T. Wooten.  
Clyde W. Smith.  
Dixwell Ketcham.  
Cato D. Glover, jr.  
Charles M. Huntington.  
Oliver W. Gaines.  
Harry H. Hill.  
Edwin L. Brashears.  
James M. Plaskitt.  
Paul W. Steinhagen.  
Vilas R. Knope.  
Francis P. Old.  
Norman B. Hopkins.  
Melvin H. Bassett.  
William B. Broadhurst.  
Benjamin P. Ward.  
Milton D. Goldsmith.  
Robert P. Cunningham.  
William A. P. Thompson.  
Jesse B. Goode.  
Clarence McM. Head.  
John M. Thornton.  
William D. Fletcher.  
Howard C. Rule, jr.  
Thomas S. Thorne.  
George H. Gregory.  
Maurice Montgomery.  
John B. Lyon.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 15th day of June, 1922:

Jesse G. Johnson.  
Joseph J. Rochefort.  
William J. Medusky.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of August, 1922:

Cecil E. Godkin.  
Herbert C. Behner.  
Roland E. Krause.

Ensign John H. Hykes to be a lieutenant (junior grade) in the Navy from the 1st day of September, 1922.

The following-named midshipmen to be ensigns in the Navy from the 3d day of June, 1922:

William F. Jennings.  
Corydon H. Kimball.

Surg. Richard A. Warner to be a medical inspector in the Navy with the rank of commander from the 28th day of August, 1922.

The following-named passed assistant surgeons to be surgeons in the Navy with the rank of lieutenant commander from the 3d day of June, 1922:

Ruskin M. Lhamon.  
Carleton I. Wood.  
William H. Michael.

Clarence W. Ross.  
Roscoe M. Waterhouse.  
Talmadge Wilson.

The following-named assistant surgeons to be passed assistant surgeons in the Navy with the rank of lieutenant from the 6th day of December, 1920:

Francis C. Hertzog.  
Deane H. Vance.

Asst. Surg. Hillard L. Weer to be a passed assistant surgeon in the Navy with the rank of lieutenant from the 1st day of July, 1920.

Asst. Surg. Jerome Braun to be a passed assistant surgeon in the Navy with the rank of lieutenant from the 8th day of July, 1922.

Asst. Surg. David B. Peters to be a passed assistant surgeon in the Navy with the rank of lieutenant from the 16th day of August, 1922.

Passed Asst. Surg. Nathaniel C. Rubinsky, of the United States Naval Reserve Force, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 14th day of September, 1922.

Acting Asst. Surg. Earl B. Erskine to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 19th day of September, 1922.

James F. Finnegan, a citizen of California, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 3d day of November, 1922.

Edmond P. Speight.  
Raleigh B. Miller.  
Charles C. Anderson.  
Ericson Lewis.  
James L. Wyatt.  
Frederick W. Roberts.  
Harry D. Power.  
Gordon A. Patterson.  
Austin K. Doyle.  
Ralph Humphreys.  
Thomas C. Scaffa.  
Harold R. Brookman.  
James H. Doyle.  
Charles D. Murphey.  
Sumner T. Scott.  
Solomon S. Isquith.  
Armon D. A. Crawford.  
Bailey Connelly.  
Gyle D. Conrad.  
John A. McDonnell.  
Benjamin N. Ward.  
Ferguson B. Bryan.  
William G. Livingstone.  
Harley F. Cope.  
James D. Haselden, jr.  
Wade DeWeese.  
Allan D. Blackledge.  
Charles A. Collins.  
Khem W. Palmer.  
Elmer Kiehl.  
Justin D. Hartford.  
Hilyer F. Gearing.  
Francis W. Beard.

Asst. Dental Surg. Joseph W. Baker, jr., to be a passed assistant dental surgeon in the Navy with the rank of lieutenant from the 11th day of October, 1922.

Pay Inspector David V. Chadwick to be a pay director in the Navy with the rank of captain from the 26th day of August, 1922.

Pay Inspector David M. Addison to be a pay director in the Navy with the rank of captain from the 2d day of November, 1922.

Pay Inspector Victor S. Jackson to be a pay director in the Navy with the rank of captain from the 12th day of November, 1922.

Paymaster William N. Hughes to be a pay inspector in the Navy with the rank of Commander from the 26th day of August, 1922.

Paymaster Harold W. Browning to be a pay inspector in the Navy with the rank of commander from the 2d day of November, 1922.

Paymaster Emory D. Stanley to be a pay inspector in the Navy with the rank of commander from the 12th day of November, 1922.

Asst. Paymaster Dillon F. Zimmerman to be a passed assistant paymaster in the navy with the rank of lieutenant from the 31st day of December, 1921.

The following-named assistant paymasters to be passed assistant paymasters in the Navy with the rank of lieutenant from the 3d day of June, 1922:

Alexander Riggan.  
Frederick Schwab.  
Robert J. Monteith.  
Harold R. Lehmann.  
Myron W. Willard.  
John H. Gallion.  
Hugh A. Phares.  
James E. Brennen.  
Mason E. Mitchell.  
George E. Duffy.  
Robert G. Robeson.  
Raphael Gering.  
Fillmore S. C. Layman.  
Leon I. Smith.  
Archie A. Antrim.  
Harold E. Humphreys.  
Percy W. McCord.  
Tipton F. Woodward.  
George P. Smallman.  
Chris J. Norstad.  
Charles A. Cook.  
Samuel L. Bates.

Gordon S. Bower.  
Harry G. Kinnard.  
William E. McCain.  
Theodore M. Stock.  
Stanford G. Chapman.  
Alexander W. Urquhart.  
Howard N. Hill.  
Cornelius A. Brinkmann.  
Jacob H. Kyger.  
Marvin McCray.  
George L. Thomas.  
John C. Poshepny.  
Harry F. Hake.  
Percival F. Patten.  
Grandison J. Tyler.  
Chester B. Peake.  
Hugh J. McManus.  
John J. Carroll.  
Leo V. Flavell.  
Albert W. Eldred.  
Joseph T. Lareau.  
Roy L. Koester.

The following-named assistant paymasters to be passed assistant paymasters in the Navy, with the rank of lieutenant, from the 1st day of July, 1922:

Clarence E. Kastenbein.  
George Scratchley.  
Charles B. Forrest.  
Orville F. Byrd.  
Daniel L. McCarthy.  
Harry A. Miller.  
Harvey R. Dye.

James H. Stevens.  
Ellsworth F. Sparks.  
John P. Killeen.  
Charles H. Gillilan.  
Leon Dancer.  
Joseph W. Cavanaugh.  
Verny Carroll.

The following-named assistant paymasters to be passed assistant paymasters in the Navy, with the rank of lieutenant, from the 8th day of July, 1922:

Ervine R. Brown.  
Ray E. Snedaker.  
William W. Wise.  
Don M. Robinson.  
Robert H. Lenson.  
Edward F. Ney.

Charles Schaaf.  
George W. Davis.  
Guild Bruda.  
Alvin S. Reid.  
Robert R. Blaisdell.

Assistant Paymaster Walter Guerry to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 16th day of August, 1922.

Chaplain Edmund A. Brodmann to be a chaplain in the Navy, with the rank of captain, from the 6th day of November, 1920.

Chaplain Le Roy N. Taylor to be a chaplain in the Navy, with the rank of captain, from the 22d day of November, 1921.

Chaplain Thomas B. Thompson to be a chaplain in the Navy, with the rank of commander, from the 28th day of July, 1921.

Chaplain John J. Brady to be a chaplain in the Navy, with the rank of commander, from the 23d day of November, 1921.

The following-named boatswains to be chief boatswains in the Navy, to rank with but after ensign, from the 6th day of February, 1921:

William E. Benson.  
Fred C. A. Plagemann.



Boatswain Wildon A. Ott to be a chief boatswain in the Navy, to rank with but after ensign, from the 16th day of December, 1921.

Machinist John A. Silva to be a chief machinist in the Navy, to rank with but after ensign, from the 28th day of December, 1920.

Pay Clerk Merle W. Shumate to be a chief pay clerk in the Navy, to rank with but after ensign, from the 6th day of July, 1922.

Lieut. Allen H. Guthrie to be a lieutenant commander in the Navy, from the 3d day of June, 1922.

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 1st day of June, 1922:

Joseph E. Jackson.	Forrest A. Rhoads.
William W. Behrens.	Raymond A. McClellan.
Nullet F. Schneider.	Gordon T. House.

#### POSTMASTERS.

##### ALABAMA.

Warren L. Hollingsworth to be postmaster at Lincoln, Ala. Office became presidential October 1, 1919.

Eva M. Ellison to be postmaster at Empire, Ala. Office became presidential April 1, 1922.

Fred D. Perkins to be postmaster at Wetumpka, Ala., in place of M. E. Cain, resigned.

Albert N. Holland to be postmaster at Scottsboro, Ala., in place of J. B. Tally, jr. Incumbent's commission expired September 5, 1922.

Ed P. Johnson to be postmaster at Samson, Ala., in place of J. T. Farmer. Incumbent's commission expired September 5, 1922.

Tyler M. Swann to be postmaster at Roanoke, Ala., in place of L. M. Stevenson. Incumbent's commission expired February 19, 1922.

Walter T. Cowan to be postmaster at Orrville, Ala., in place of W. T. Cowan. Incumbent's commission expired September 5, 1922.

Lee M. Otts to be postmaster at Greensboro, Ala., in place of L. M. Otts. Incumbent's commission expired August 29, 1922.

John M. Stapleton to be postmaster at Foley, Ala., in place of L. E. Wolbrink. Incumbent's commission expired September 5, 1922.

Mary D. Bass to be postmaster at Butler, Ala., in place of T. W. Bass, deceased.

Fred M. Fitts to be postmaster at Alabama City, Ala., in place of Y. E. Adams. Incumbent's commission expired September 5, 1922.

##### ARIZONA.

Winchester Dickerson to be postmaster at Ashfork, Ariz., in place of Winchester Dickerson. Incumbent's commission expired September 5, 1922.

##### ARKANSAS.

Alexander R. Mullins to be postmaster at Emerson, Ark. Office became presidential April 1, 1922.

James S. Burnett to be postmaster at Clinton, Ark. Office became presidential October 1, 1922.

James F. Hudson to be postmaster at Lake Village, Ark., in place of Hermion Carlton, resigned.

Cooper Hudspeth to be postmaster at Nashville, Ark., in place of W. P. Williams. Incumbent's commission expired September 5, 1922.

James G. Brown to be postmaster at Magnolia, Ark., in place of O. D. Boreing. Incumbent's commission expired September 5, 1922.

George H. Rule, jr., to be postmaster at Lonoke, Ark., in place of G. H. Rule, jr. Incumbent's commission expired September 5, 1922.

William B. Pape to be postmaster at Fort Smith, Ark., in place of A. L. Peachier, resigned.

John C. Wish to be postmaster at Cabot, Ark., in place of L. M. Burge. Incumbent's commission expired September 13, 1922.

##### CALIFORNIA.

Paul Huneke to be postmaster at Lemoncove, Calif. Office became presidential October 1, 1922.

Edna J. McGowan to be postmaster at Belmont, Calif. Office became presidential April 1, 1921.

Bernice C. Downing to be postmaster at Santa Clara, Calif., in place of C. D. South. Incumbent's commission expired September 5, 1922.

Bert C. McMurray to be postmaster at Lancaster, Calif., in place of W. M. Redman. Incumbent's commission expired September 5, 1922.

Ida P. Durkee to be postmaster at Newport Beach, Calif., in place of L. S. Wilkinson, resigned.

Kathleen M. Fleming to be postmaster at Lincoln, Calif., in place of K. M. Fleming. Incumbent's commission expired September 5, 1922.

Hazel M. McFarland to be postmaster at Folsom City, Calif., in place of W. H. Comstock. Incumbent's commission expired September 5, 1922.

Fred W. Busey to be postmaster at Balboa, Calif., in place of P. J. Wilson, resigned.

John W. Drane to be postmaster at Alturas, Calif., in place of G. M. Kemble. Incumbent's commission expired May 20, 1922.

##### COLORADO.

John H. O'Connell to be postmaster at Sugar City, Colo., in place of H. E. Farr. Incumbent's commission expired August 25, 1920.

William H. Cochran, jr., to be postmaster at Del Norte, Colo., in place of R. W. Tandy, resigned.

##### CONNECTICUT.

Michael J. Kenney to be postmaster at Mechanicsville, Conn. Office became presidential July 1, 1922.

W. Kenneth Avery to be postmaster at Granby, Conn. Office became presidential October 1, 1922.

Alfred A. Barrett to be postmaster at Berlin, Conn. Office became presidential October 1, 1922.

W. Frank Smith to be postmaster at Wallingford, Conn., in place of E. C. Cox. Incumbent's commission expired September 5, 1922.

W. Gardiner Davis to be postmaster at Pomfret Center, Conn., in place of F. O. Davis. Incumbent's commission expired January 2, 1921.

Irving S. Cook to be postmaster at Higganum, Conn., in place of H. F. Spencer. Incumbent's commission expired September 5, 1922.

##### DELAWARE.

Stanley S. Stevens to be postmaster at Delaware City, Del., in place of A. L. Swan. Incumbent's commission expired September 5, 1922.

##### FLORIDA.

Grady W. Bailey to be postmaster at Florence Villa, Fla. Office became presidential April 1, 1922.

Maxfield Sellers to be postmaster at White Springs, Fla., in place of O. K. Paxton, jr. Incumbent's commission expired September 5, 1922.

Thomas W. Lundy to be postmaster at Perry, Fla., in place of L. M. Caswell. Incumbent's commission expired January 31, 1922.

Albert L. Lucas to be postmaster at Ocala, Fla., in place of R. F. Rogers. Incumbent's commission expired September 5, 1922.

Jesse D. Knight to be postmaster at Lake Butler, Fla., in place of S. E. Driggers. Incumbent's commission expired September 5, 1922.

Charles R. Lee to be postmaster at Clearwater, Fla., in place of W. A. Davis. Incumbent's commission expired September 5, 1922.

Clarence J. Carlton to be postmaster at Arcadia, Fla., in place of W. M. Platt. Incumbent's commission expired September 5, 1922.

##### GEORGIA.

Kelly W. Liles, jr., to be postmaster at White Oak, Ga. Office became presidential April 1, 1922.

Thomas H. Anthony to be postmaster at Shellman, Ga., in place of H. O. Crittendon. Incumbent's commission expired February 18, 1922.

Frederick Bonner to be postmaster at Perry, Ga., in place of J. H. Hodges. Incumbent's commission expired September 28, 1922.

Olin Robinson to be postmaster at Milledgeville, Ga., in place of J. D. Howard. Incumbent's commission expired October 3, 1921.

Susie D. Sims to be postmaster at Lawrenceville, Ga., in place of H. R. Chesnutt, removed.

Augustus R. Williamson to be postmaster at Jefferson, Ga., in place of R. D. Moore. Incumbent's commission expired September 28, 1922.

John C. Massey to be postmaster at Hartwell, Ga., in place of J. L. Teasley. Incumbent's commission expired September 26, 1922.

Albert M. Seifert to be postmaster at Fort Valley, Ga., in place of F. S. Murray. Incumbent's commission expired September 26, 1922.

George W. Pease to be postmaster at Demorest, Ga., in place of W. H. McMillion. Incumbent's commission expired September 28, 1922.

Charles E. Walton to be postmaster at Columbus, Ga., in place of J. P. Turner. Incumbent's commission expired September 28, 1922.

Annie K. Bunn to be postmaster at Cedartown, Ga., in place of A. K. Bunn. Incumbent's commission expired September 28, 1922.

Will E. Davis to be postmaster at Boston, Ga., in place of J. B. Rountree. Incumbent's commission expired September 26, 1922.

William F. Boone to be postmaster at Baxley, Ga., in place of W. F. Boone. Incumbent's commission expired September 26, 1922.

#### HAWAII.

Edward D. Quinn to be postmaster at Kohala, Hawaii, in place of C. R. Jardin, resigned.

#### IDAHO.

Charles B. Billups to be postmaster at Nezperce, Idaho, in place of J. W. Anderson. Incumbent's commission expired September 5, 1922.

#### ILLINOIS.

Harry R. Smith to be postmaster at Manlius, Ill. Office became presidential April 1, 1922.

Edwin G. Meyer to be postmaster at Valmeyer, Ill. Office became presidential January 1, 1922.

Peter J. McKinney to be postmaster at Ogden, Ill. Office became presidential October 1, 1922.

Walter J. Holt to be postmaster at Hanna City, Ill. Office became presidential April 1, 1922.

Frank W. A. Noll to be postmaster at Franklin Park, Ill. Office became presidential October 1, 1920.

C. Ray Chrisman to be postmaster at Ewing, Ill. Office became presidential October 1, 1922.

Orlando H. Akin to be postmaster at Kirkwood, Ill., in place of M. S. McClymonds, resigned.

Burton A. Blake to be postmaster at Tiskilwa, Ill., in place of P. H. Fitzgerald. Incumbent's commission expired March 4, 1922.

Jennie McNulty to be postmaster at South Wilmington, Ill., in place of Jennie McNulty. Incumbent's commission expired October 24, 1922.

Franklin S. Lyman to be postmaster at Oak Forest, Ill., in place of F. S. Lyman. Incumbent's commission expired October 24, 1922.

Milton G. Hartenbower to be postmaster at Lostant, Ill., in place of J. E. Conlin, removed.

#### INDIANA.

Joseph E. Lewis to be postmaster at Williamsport, Ind., in place of L. J. Etnire. Incumbent's commission expired May 25, 1922.

Charles A. Thompson to be postmaster at Rockville, Ind., in place of L. B. Humphries. Incumbent's commission expired September 5, 1922.

Jacob Ochs, jr., to be postmaster at Remington, Ind., in place of Dennis O'Riley. Incumbent's commission expired September 5, 1922.

Ben Price, jr., to be postmaster at Monticello, Ind., in place of J. P. Simons, deceased.

James C. Brown to be postmaster at Salem, Ind., in place of C. R. Morris. Incumbent's commission expired September 5, 1922.

Floyd E. Leonard to be postmaster at Mulberry, Ind., in place of R. C. Pickle. Incumbent's commission expired September 5, 1922.

Charles A. McClintock to be postmaster at Lynn, Ind., in place of C. T. Hoover. Incumbent's commission expired September 5, 1922.

Ben Havens to be postmaster at Kokomo, Ind., in place of C. H. Havens. Incumbent's commission expired September 5, 1922.

Edward A. Spray to be postmaster at Frankfort, Ind., in place of H. A. Flora. Incumbent's commission expired September 5, 1922.

Robert E. Black to be postmaster at Corydon, Ind., in place of F. E. Watson, resigned.

Fred Irvin to be postmaster at Cannelton, Ind., in place of C. F. Gerber, jr. Incumbent's commission expired September 5, 1922.

Benjamin F. Pitman to be postmaster at Bedford, Ind., in place of C. A. Durrenberger. Incumbent's commission expired September 5, 1922.

#### IOWA.

Frank D. Thomsen to be postmaster at Kimballton, Iowa. Office became presidential January 1, 1921.

Anna M. Beck to be postmaster at Solon, Iowa, in place of A. M. Beck. Incumbent's commission expired November 21, 1922.

Harry Carver to be postmaster at Fontanelle, Iowa, in place of Jay Sullivan. Incumbent's commission expired September 5, 1922.

Arden W. Keeney to be postmaster at Carlisle, Iowa, in place of J. S. Webster. Incumbent's commission expired September 5, 1922.

Hazel N. Chapman to be postmaster at Bagley, Iowa, in place of C. A. Hidlebaugh. Incumbent's commission expired September 5, 1922.

Ava Rigdon to be postmaster at Menlo, Iowa, in place of L. M. Bond. Incumbent's commission expired September 5, 1922.

Laura H. Figert to be postmaster at Marathon, Iowa, in place of L. H. Figert. Incumbent's commission expired September 5, 1922.

Kate C. Warner to be postmaster at Dayton, Iowa, in place of K. C. Warner. Incumbent's commission expired September 5, 1922.

#### KANSAS.

Belford A. Likes to be postmaster at Pomona, Kans., in place of J. H. Parkinson. Incumbent's commission expired September 13, 1922.

Lee Mobley to be postmaster at Weir, Kans., in place of Celia Hughes. Incumbent's commission expired September 13, 1922.

William A. Walt to be postmaster at Thayer, Kans., in place of Fred Powell. Incumbent's commission expired September 13, 1922.

James M. Kersey to be postmaster at Parsons, Kans., in place of L. A. Walker. Incumbent's commission expired February 4, 1922.

John Malone to be postmaster at National Military Home, Kans., in place of J. T. Brothers. Incumbent's commission expired January 12, 1919.

#### KENTUCKY.

Eugene E. Johnson to be postmaster at White Plains, Ky. Office became presidential July 1, 1921.

Zelmer R. Hill to be postmaster at Jamestown, Ky. Office became presidential April 1, 1922.

Zorayda Cochran to be postmaster at Maysville, Ky., in place of M. F. Kehoe. Incumbent's commission expired October 3, 1922.

John B. Searcy to be postmaster at Lawrenceburg, Ky., in place of J. R. Paxton. Incumbent's commission expired October 24, 1922.

#### LOUISIANA.

Owen N. Jones to be postmaster at Good Pine, La. Office became presidential January 1, 1922.

Walter L. Huckabay to be postmaster at Bienville, La. Office became presidential January 1, 1921.

Robert D. Crowell to be postmaster at Meridian, La., in place of Wilson Ardoin, not commissioned.

Lillian D. Gayle to be postmaster at Independence, La., in place of L. D. Gayle. Incumbent's commission expired September 5, 1922.

#### MAINE.

Ray Winchenpaw to be postmaster at Friendship, Me. Office became presidential October 1, 1922.

Jesse B. Crosby to be postmaster at Dennysville, Me. Office became presidential October 1, 1920.

William C. Flint to be postmaster at Waldoboro, Me., in place of P. E. Storer. Incumbent's commission expired September 28, 1922.

Harold N. Libby to be postmaster at Richmond, Me., in place of Morrill McKenney. Incumbent's commission expired September 28, 1922.

Philip F. Stone to be postmaster at Norway, Me., in place of F. E. DeCoster. Incumbent's commission expired September 28, 1922.

Ellsworth W. Sawyer to be postmaster at Kezar Falls, Me., in place of E. W. Sawyer. Incumbent's commission expired September 28, 1922.

Reuel Robinson to be postmaster at Camden, Me., in place of J. H. Hobbs. Incumbent's commission expired September 28, 1922.

Ferdinand E. Stevens to be postmaster at Auburn, Me., in place of A. T. Hicks. Incumbent's commission expired September 28, 1922.



Charles C. Hoyt to be postmaster at South Brewer, Me., in place of O. C. Verow. Incumbent's commission expired September 28, 1922.

Edward I. Waddell to be postmaster at Presque Isle, Me., in place of V. E. Howe. Incumbent's commission expired September 28, 1922.

Leonard O. Meader to be postmaster at North Berwick, Me., in place of W. I. Johnson. Incumbent's commission expired September 28, 1922.

Maud E. Pierce to be postmaster at Mars Hill, Me., in place of B. F. Pierce. Incumbent's commission expired September 28, 1922.

Albert A. Weatherbee to be postmaster at Lincoln, Me., in place of H. L. Pinkham, resigned.

Dana C. Skillin to be postmaster at Hallowell, Me., in place of J. E. Murphy. Incumbent's commission expired September 28, 1922.

Zaidee P. Campbell to be postmaster at Jackman, Me., in place of T. M. Nichols, resigned.

Preston N. Burleigh to be postmaster at Houlton, Me., in place of Dennis Sheehan. Incumbent's commission expired September 28, 1922.

Omar J. Lombard to be postmaster at Guilford, Me., in place of J. S. Williams. Incumbent's commission expired September 28, 1922.

John A. Babb to be postmaster at Dixfield, Me., in place of M. M. Holland. Incumbent's commission expired September 28, 1922.

Almon R. Page to be postmaster at Dexter, Me., in place of F. J. Carsley. Incumbent's commission expired September 28, 1922.

Chandler M. Wilson to be postmaster at Bucksport, Me., in place of R. P. Freeman. Incumbent's commission expired September 28, 1922.

Henry A. Saunders to be postmaster at Blue Hill, Me., in place of Harry Hinckley. Incumbent's commission expired September 28, 1922.

Bert H. Young to be postmaster at Bar Harbor, Me., in place of O. H. Jellison, resigned.

#### MARYLAND.

Nettie Fowler to be postmaster at Bowie, Md. Office became presidential July 1, 1922.

Victor F. Cullen to be postmaster at State Sanatorium, Md., in place of V. F. Cullen. Incumbent's commission expired September 5, 1922.

Leslie W. Gaver to be postmaster at Middletown, Md., in place of G. W. Kefauver. Incumbent's commission expired September 25, 1922.

Robert H. Phillips to be postmaster at Salisbury, Md., in place of S. K. White. Incumbent's commission expired February 28, 1920.

John W. Payne to be postmaster at Preston, Md., in place of J. F. Lednum. Incumbent's commission expired January 30, 1921.

Everett M. Layton to be postmaster at Berlin, Md., in place of T. Y. Franklin. Incumbent's commission expired September 5, 1922.

#### MASSACHUSETTS.

Walter C. Wright to be postmaster at Graniteville, Mass. Office became presidential October 1, 1922.

August J. Formhals to be postmaster at Erving, Mass. Office became presidential July 1, 1922.

Clarence E. Arnold to be postmaster at Hopedale, Mass., in place of G. P. Sheldon, deceased.

#### MICHIGAN.

James R. Taylor to be postmaster at Romulus, Mich. Office became presidential October 1, 1922.

Arthur Locke to be postmaster at Middleton, Mich. Office became presidential January 1, 1921.

Milan A. Smith to be postmaster at Morenci, Mich., in place of I. G. Metcalf. Incumbent's commission expired September 13, 1922.

Edward F. Blake to be postmaster at Middleville, Mich., in place of C. F. Parker. Incumbent's commission expired September 13, 1922.

Roland M. Krise to be postmaster at Marcellus, Mich., in place of W. M. Beadle. Incumbent's commission expired September 13, 1922.

Henry E. Cowdin to be postmaster at Carson City, Mich., in place of A. B. Goodwin. Incumbent's commission expired September 13, 1922.

William R. Bryce to be postmaster at Yale, Mich., in place of E. W. Farley, resigned.

James V. Baker to be postmaster at South Lyon, Mich., in place of H. C. Stevenson. Incumbent's commission expired September 13, 1922.

Thomas S. Scupholm to be postmaster at Port Huron, Mich., in place of J. S. Wittliff. Incumbent's commission expired September 13, 1922.

Floyd B. Babcock to be postmaster at Pontiac, Mich., in place of E. E. Hymers. Incumbent's commission expired September 13, 1922.

George H. Steadman to be postmaster at Lyons, Mich., in place of C. O. Miller, resigned.

Walter G. Rogers to be postmaster at Lansing, Mich., in place of P. F. Gray. Incumbent's commission expired September 13, 1922.

Henry F. Voelker to be postmaster at Ionia, Mich., in place of H. E. Kidder. Incumbent's commission expired September 13, 1922.

Irvin B. Dayharsh to be postmaster at Hart, Mich., in place of F. P. Hilbourn. Incumbent's commission expired September 13, 1922.

Ernest E. Yerdon to be postmaster at Fenton, Mich., in place of F. A. Chapin. Incumbent's commission expired September 13, 1922.

Louis Gee to be postmaster at Farwell, Mich., in place of E. W. Brown, resigned.

Asa B. Freeman to be postmaster at Durand, Mich., in place of F. H. Healy. Incumbent's commission expired September 13, 1922.

Jesse A. Richardson to be postmaster at Corunna, Mich., in place of F. H. Pettibone. Incumbent's commission expired September 13, 1922.

Charles H. Haley to be postmaster at Coleman, Mich., in place of W. W. Simons. Incumbent's commission expired September 13, 1922.

Clarence D. Kent to be postmaster at Buchanan, Mich., in place of J. C. Rough, resigned.

Duncan A. McKeith to be postmaster at Brown City, Mich., in place of W. H. Cronin. Incumbent's commission expired September 13, 1922.

Charles F. Waldie to be postmaster at Bancroft, Mich., in place of G. M. Harrington. Incumbent's commission expired September 13, 1922.

#### MINNESOTA.

Herman J. Ricker to be postmaster at Freeport, Minn. Office became presidential July 1, 1920.

Almer B. Nelson to be postmaster at Warren, Minn., in place of C. A. Tullar. Incumbent's commission expired September 13, 1922.

#### MISSISSIPPI.

Anne D. Powers to be postmaster at Cary, Miss. Office became presidential April 1, 1922.

Melzar J. Nye to be postmaster at Carrollton, Miss., in place of Henrietta Welch. Incumbent's commission expired July 21, 1921.

#### MISSOURI.

James E. Roark to be postmaster at Anderson, Mo., in place of J. F. Kincannon. Incumbent's commission expired September 5, 1922.

Loyd R. Kirtley to be postmaster at Madison, Mo., in place of C. G. Eubank, resigned.

John A. Griesel to be postmaster at Golden City, Mo., in place of J. K. Scott. Incumbent's commission expired September 5, 1922.

#### NEBRASKA.

Mary E. Rushart to be postmaster at Fort Crook, Nebr., in place of M. E. Rushart. Incumbent's commission expired October 3, 1922.

#### NEVADA.

Austin Jackson to be postmaster at Reno, Nev., in place of F. L. White. Incumbent's commission expired September 5, 1922.

#### NEW HAMPSHIRE.

Frank E. West to be postmaster at Lyme, N. H. Office became presidential October 1, 1922.

Nellie L. Mason to be postmaster at Greenfield, N. H. Office became presidential October 1, 1922.

Orriman Whipple to be postmaster at Sugar Hill, N. H. Office became presidential January 1, 1921.

#### NEW JERSEY.

Charles Place to be postmaster at Rosemont, N. J. Office became presidential October 1, 1922.

James T. Chapman to be postmaster at Sea Isle City, N. J., in place of T. E. Ludlam, resigned.

Alfred W. Marshall to be postmaster at Glassboro, N. J., in place of G. M. Keebler. Incumbent's commission expired January 8, 1921.

## NEW MEXICO.

Augustin F. Sisneros to be postmaster at Espanola, N. Mex., in place of F. R. Frankenburger. Incumbent's commission expired September 5, 1922.

## NEW YORK.

John A. Goetzmann to be postmaster at West Webster, N. Y. Office became presidential July 1, 1922.

Gertrude S. Ryder to be postmaster at Blue Point, N. Y. Office became presidential October 1, 1922.

William Sanford to be postmaster at Savona, N. Y., in place of W. M. Wagner. Incumbent's commission expired June 27, 1920.

Charles W. Fletcher to be postmaster at Montour Falls, N. Y., in place of C. L. Doolittle. Incumbent's commission expired September 19, 1922.

Gottlieb H. Morris to be postmaster at Lynbrook, N. Y., in place of W. C. Box. Incumbent's commission expired October 24, 1922.

William D. Walling to be postmaster at Hudson Falls, N. Y., in place of John Toole. Incumbent's commission expired January 6, 1920.

Edward J. Woods to be postmaster at Bayport, N. Y., in place of E. J. Woods. Incumbent's commission expired October 24, 1922.

## NORTH CAROLINA.

Joseph P. Hinson to be postmaster at Pineville, N. C. Office became presidential April 1, 1921.

Otis P. Brower to be postmaster at Liberty, N. C., in place of W. M. Hanner, removed.

## NORTH DAKOTA.

John P. Breslin to be postmaster at Sanish, N. Dak., in place of W. F. Thompson. Incumbent's commission expired January 24, 1922.

## OHIO.

Oscar C. Wheland to be postmaster at Gnadenhutten, Ohio. Office became presidential April 1, 1922.

Fred G. Bates to be postmaster at Madison, Ohio, in place of F. H. Davet. Incumbent's commission expired September 19, 1922.

Mary E. Lee to be postmaster at Westerville, Ohio, in place of Frank Bookman. Incumbent's commission expired September 19, 1922.

Josiah T. Gibson to be postmaster at Waverly, Ohio, in place of C. P. Gabelman. Incumbent's commission expired September 19, 1922.

Frank B. Malaney to be postmaster at Wadsworth, Ohio, in place of W. A. Ault, resigned.

Dwight D. Fierbaugh to be postmaster at South Euclid, Ohio, in place of B. O. Brott, resigned.

Garrett A. Circle to be postmaster at Racine, Ohio, in place of G. C. Wolfe. Incumbent's commission expired September 19, 1922.

Frank P. Johnson to be postmaster at Pataskala, Ohio, in place of R. D. Brown. Incumbent's commission expired September 19, 1922.

William F. Lyons to be postmaster at Mentor, Ohio, in place of T. H. Code. Incumbent's commission expired September 19, 1922.

Linden C. Welmer to be postmaster at Dayton, Ohio, in place of F. L. May. Incumbent's commission expired July 21, 1921.

John W. McCoy to be postmaster at Barberton, Ohio, in place of J. M. McNamara. Incumbent's commission expired September 19, 1922.

## OKLAHOMA.

Floyd A. Rice to be postmaster at Strong City, Okla. Office became presidential July 1, 1920.

Mable C. Heidenreich to be postmaster at Duke, Okla. Office became presidential October 1, 1920.

Thomas B. Fessenger to be postmaster at Wynne Wood, Okla., in place of G. P. Rollow. Incumbent's commission expired September 13, 1922.

Emil G. Etzold to be postmaster at Temple, Okla., in place of H. A. Crawford. Incumbent's commission expired September 13, 1922.

Elinore Jett to be postmaster at Nash, Okla., in place of W. T. Childs. Incumbent's commission expired September 13, 1922.

Lewis G. Rinnert to be postmaster at Checotah, Okla., in place of W. B. Hensley, resigned.

## PENNSYLVANIA.

Arthur N. Rose to be postmaster at Rouseville, Pa., in place of A. N. Rose. Incumbent's commission expired September 26, 1922.

Thomas J. Morgan to be postmaster at Nanticoke, Pa., in place of Stanley Dropski. Incumbent's commission expired September 13, 1922.

James I. Decker to be postmaster at New Freedom, Pa., in place of P. W. Miller. Incumbent's commission expired September 26, 1922.

Jennie C. Sample to be postmaster at Crum Lynne, Pa., in place of J. J. McCoy. Incumbent's commission expired January 2, 1921.

Harry F. Deibert to be postmaster at Cressona, Pa., in place of W. L. McLaren. Incumbent's commission expired September 26, 1922.

## PORTO RICO.

John L. Gay to be postmaster at San Juan, Porto Rico, in place of R. A. Rivera, removed.

Reinaldo Paniagua, jr., to be postmaster at Lares, Porto Rico, in place of Paul Vilella, jr. Incumbent's commission expired September 5, 1922.

## RHODE ISLAND.

Bertha M. Brayton to be postmaster at Hope, R. I. Office became presidential October 1, 1922.

May B. Lamb to be postmaster at Greenville, R. I. Office became presidential October 1, 1922.

## SOUTH CAROLINA.

Robert L. Henderson to be postmaster at North Charleston, S. C. Office became presidential January 1, 1921.

James M. Graham to be postmaster at Alcolu, S. C., in place of L. M. Jones. Incumbent's commission expired January 24, 1922.

## SOUTH DAKOTA.

Albert P. Monell to be postmaster at Stickney, S. Dak., in place of A. P. Monell. Incumbent's commission expired September 11, 1922.

Louis E. Castle to be postmaster at Britton, S. Dak., in place of G. L. Baker. Incumbent's commission expired January 24, 1922.

## TENNESSEE.

Byrd S. Bussell to be postmaster at Greenbrier, Tenn. Office became presidential January 1, 1921.

Burgess W. Witt to be postmaster at Jefferson City, Tenn., in place of L. C. Peak. Incumbent's commission expired February 4, 1922.

Kester L. Pearson to be postmaster at White Pine, Tenn., in place of F. B. Cowan. Incumbent's commission expired February 4, 1922.

Anderson W. Warren to be postmaster at Waverly, Tenn., in place of J. E. Pullen. Incumbent's commission expired May 10, 1922.

Claris E. Akin to be postmaster at Rutherford, Tenn., in place of L. W. Davidson. Incumbent's commission expired August 26, 1920.

John M. Eakin to be postmaster at Fayetteville, Tenn., in place of J. J. Jones. Incumbent's commission expired September 13, 1922.

## TEXAS.

Belle H. Stewart to be postmaster at Valentine, Tex. Office became presidential January 1, 1921.

James W. Travers to be postmaster at South Bend, Tex. Office became presidential October 1, 1921.

Joseph M. Reising to be postmaster at Rochester, Tex. Office became presidential October 1, 1920.

William A. Gatlin to be postmaster at Lakeview, Tex. Office became presidential July 1, 1920.

Thomas E. Cavender to be postmaster at Dilley, Tex. Office became presidential October 1, 1920.

George E. Thomas to be postmaster at Center Point, Tex. Office became presidential July 1, 1920.

George E. Longacre to be postmaster at Tyler, Tex., in place of S. S. McLendon. Incumbent's commission expired January 24, 1922.

Fannie Stieber to be postmaster at Rocksprings, Tex., in place of Fannie Stieber. Incumbent's commission expired September 5, 1922.

William R. Wagle to be postmaster at Lampasas, Tex., in place of G. D. Zivley, resigned.

William E. Singleton to be postmaster at Jefferson, Tex., in place of William Clark. Incumbent's commission expired September 5, 1922.



Sallie E. Saint Jacque to be postmaster at Higgins, Tex., in place of F. K. Winsett. Incumbent's commission expired March 8, 1922.

James A. Aldridge to be postmaster at Devine, Tex., in place of J. A. Aldridge. Incumbent's commission expired April 6, 1922.

Robert L. Jones to be postmaster at Celeste, Tex., in place of W. E. Thompson, resigned.

#### UTAH.

Mary W. Hall to be postmaster at Hurricane, Utah. Office became presidential April 1, 1922.

Glen A. Jensen to be postmaster at Manti, Utah, in place of N. H. Felt. Incumbent's commission expired September 5, 1922.

#### VERMONT.

William T. Mead to be postmaster at Underhill, Vt. Office became presidential October 1, 1922.

William J. Wright to be postmaster at Montgomery Center, Vt. Office became presidential October 1, 1922.

Alvi T. Davis to be postmaster at Marshfield, Vt. Office became presidential January 1, 1921.

#### VIRGINIA.

Charles G. Rowell to be postmaster at Surry, Va. Office became presidential January 1, 1921.

Charles V. Tucker to be postmaster at Phenix, Va. Office became presidential July 1, 1921.

Augustus R. Morris to be postmaster at Jetersville, Va. Office became presidential July 1, 1920.

Charlie R. Fisher to be postmaster at Wytheville, Va., in place of C. N. Otey. Incumbent's commission expired September 13, 1922.

Jacob H. Furr to be postmaster at Waynesboro, Va., in place of J. T. Cooke. Incumbent's commission expired September 13, 1922.

Joseph W. Stewart to be postmaster at Richmond, Va., in place of H. T. Thornton. Incumbent's commission expired September 13, 1922.

Patrick J. Riley to be postmaster at Portsmouth, Va., in place of S. T. Montague. Incumbent's commission expired September 13, 1922.

Philip L. Harrington to be postmaster at Independence, Va., in place of C. W. Rudolph, resigned.

Walter C. Franklin to be postmaster at Pamplin, Va., in place of L. N. Ligon, resigned.

Manley W. Carter to be postmaster at Orange, Va., in place of H. G. Shackelford. Incumbent's commission expired January 24, 1922.

Ira D. Baker to be postmaster at Lovettsville, Va., in place of C. F. Shumaker. Incumbent's commission expired July 21, 1921.

Georgie H. Osborne to be postmaster at Keysville, Va., in place of W. E. Hailey. Incumbent's commission expired July 21, 1921.

Ollie M. Colbert to be postmaster at Gretna, Va., in place of W. E. Ramsey. Incumbent's commission expired September 13, 1922.

Gatewood L. Schumaker to be postmaster at Covington, Va., in place of F. H. Rinehart. Incumbent's commission expired September 13, 1922.

William H. Haney to be postmaster at Claremont, Va., in place of J. C. Hudgins. Incumbent's commission expired March 16, 1921.

Ferdinand C. Knight to be postmaster at Alexandria, Va., in place of W. M. Smith. Incumbent's commission expired January 24, 1922.

#### WASHINGTON.

Edward Van Dyke to be postmaster at Lake Stevens, Wash. Office became presidential April 1, 1922.

#### WEST VIRGINIA.

Charles B. Crawford to be postmaster at Cabin Creek, W. Va. Office became presidential January 1, 1921.

Oscar G. Casto to be postmaster at Adrian, W. Va. Office became presidential April 1, 1921.

#### WISCONSIN.

Clarence W. Hebard to be postmaster at Sheldon, Wis. Office became presidential July 1, 1922.

Marinus Jensen to be postmaster at Mountain, Wis. Office became presidential January 1, 1921.

Clara M. Johnson to be postmaster at Ettrick, Wis. Office became presidential July 1, 1920.

Richard J. Hansen to be postmaster at Elcho, Wis. Office became presidential April 1, 1920.

Robert C. Bulkley to be postmaster at Whitewater, Wis., in place of W. C. Kiernan. Incumbent's commission expired January 24, 1922.

Fred J. Hurless to be postmaster at Viola, Wis., in place of L. L. Henthorn. Incumbent's commission expired September 5, 1922.

C. Amelia Knudson to be postmaster at Scandinavia, Wis., in place of A. L. Olson, resigned.

John D. Laughlin to be postmaster at Marion, Wis., in place of J. D. Laughlin. Incumbent's commission expired September 5, 1922.

William Martin to be postmaster at Campbellsport, Wis., in place of A. F. Fleischmann, declined.

Clarence B. Jensen to be postmaster at Cambridge, Wis., in place of W. B. Telyea, resigned.

Robert Luchsinger to be postmaster at Belleville, Wis., in place of M. M. Wilson. Incumbent's commission expired April 30, 1922.

#### WYOMING.

Hubert S. Ladd to be postmaster at Hudson, Wyo. Office became presidential January 1, 1921.

## HOUSE OF REPRESENTATIVES.

THURSDAY, November 23, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, Thou art all in all; to Thy power there is no limitation, and Thy mercy endureth forever. We are unworthy of Thy ministry, but have mercy upon us and magnify Thy strength according to our weakness. Forgive us our sins, and remember us at our best. Dwell with us; be Thou our guide, our guest, and continue to be our constant benefactor. Enable us always to keep in mind that goodness and personal integrity can never fail. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### RETURN OF BILL TO THE SENATE.

The SPEAKER. The Chair lays before the House the following message from the Senate.

The Clerk read as follows:

*Resolved*, That the House of Representatives be requested to return to the Senate the bill (S. 3855) to ascertain and settle land claims of persons not Indian within pueblo Indian land, land grants, and reservations in the State of New Mexico.

The SPEAKER. Without objection, the Committee on Indian Affairs will be discharged from the consideration of the bill, and the request of the Senate will be granted. [After a pause.] The Chair hears no objection.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed with amendment the bill (H. R. 12859) to provide for certain expenses incident to the third session of the Sixty-seventh Congress, in which the concurrence of the House of Representatives was requested.

#### THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12817.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12817, with Mr. TRISON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12817, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

Mr. GREENE of Massachusetts. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The gentleman from Massachusetts [Mr. GREENE]. [Applause.]

Mr. GREENE of Massachusetts. Mr. Chairman and members of the committee, this bill (H. R. 12817) is offered in fulfillment of reiterated solemn platform pledges of the Republican Party to help and upbuild the American merchant marine.

But it is offered in no partisan spirit, because the Democratic Party also has repeatedly pledged itself in its national platforms to restore the American flag to the high seas. All of us Americans—North, South, East, and West—in the years before the World War regarded with dismay the weakness of our ocean carrying trade and the fact that more than nine-tenths of the trade that should have been our own was monopolized by foreigners.

The bill is the result of months of careful study by officials of the Shipping Board, followed by protracted hearings held jointly by the Committee on the Merchant Marine and Fisheries of the House and the Committee on Commerce of the other Chamber. Those hearings were continued day after day and week after week, from April 4 to May 19, and ended only when there were no more persons to be heard. The record of these hearings exceeds in its printed pages even the exhaustive report of the Gallinger Merchant Marine Commission of 1904-5. It can fairly be said that never before have an administration and a Congress given such full study to the merchant shipping question as that of the present investigation, the results of which are now before you.

Not only shipowners and shipbuilders, but merchants, manufacturers, bankers, farmers, and representatives of American sea labor have been faithfully heard. The immense preponderance of the testimony was in favor of this proposed legislation, coming from North, South, East, and West alike. The pending bill has received the formal approval of the National Chamber of Commerce of the United States, representing the commercial and industrial interests of all the States, the American Farm Bureau Federation, the National Association of Manufacturers, the Bankers' Association for Foreign Trade, the Mississippi Valley Association, and the boards of trade and chambers of commerce of all of the principal cities between the Atlantic and Pacific coasts on the one hand and the Canadian border and the Gulf of Mexico on the other. It has the approval of the business men of Chicago, Cleveland, Cincinnati, Indianapolis, Des Moines, Dubuque, Sioux City, St. Louis, Kansas City, Louisville, Detroit, St. Paul, Duluth, Omaha, Memphis, and Milwaukee, as well as the business men of Boston, New York, Philadelphia, Mobile, New Orleans, and Galveston. Especially significant is the support given by the American Farm Bureau Federation. Taught by the lessons of the Great War, the farmers of the inland States realize now that the merchant marine means as much and even more to them than to the producers and traders of the seaboard.

This proposed bill is popularly described as the "ship subsidy bill," but it may fairly be argued that the actual subsidy feature is of less magnitude than the various indirect aids which it bestows. These indirect aids by themselves would not suffice. The so-called subsidies are essential to the success of the policy embodied in the bill. Without them the Shipping Board can not sell its ships, nor can we realize a full-balanced merchant marine. However, the indirect aids, involving no direct payments to shipowners, make up the greater bulk and importance of this proposal. This is a fact that can not be too earnestly emphasized. The bill is a subsidy measure in its lesser and not in its greater part.

First of all as a help to the maintenance of regular overseas lines of cargo steamers carrying also mails and passengers is the provision to be found in Title III under the head of "Transportation of immigrants by water." This requires that "as nearly as practicable one-half of the total number of immigrants admitted to the United States in any fiscal year shall be transported in vessels registered or enrolled and licensed under the laws of the United States." This section, however, is not to take effect until treaties with foreign nations are properly examined and readjusted.

The fairness of a provision that one-half of the immigrants entering this country shall come in American ships and one-half in foreign ships can not be questioned by any open-minded man. It is, in fact, a measure of maritime reciprocity. Before the World War foreign steamship companies, monopolizing virtually all our immigrants, by special annual arrangement divided up among themselves this valuable traffic, allotting a certain per cent to British lines, a certain per cent to German lines, a certain per cent to Italian lines, and so on.

This arrangement worked in practice. The United States Government did not object to it, though it virtually left American steamers out in the cold. No treaties were invoked against it. No protests were filed. This proposed arrangement is far more fair and just. It will help powerfully to guarantee to our country an equitable proportion of the great cargo-passenger steamers, not only so essential for the carrying of our farm and other products but vital to the naval reserve and the national defense in war. Working up of the details of this

policy is intrusted to the Commissioner General of Immigration, under the Secretary of Labor, with necessary regulations, subject to the approval of the Secretary of State.

There is no subsidy in this immigration provision. It does not cost the United States a cent. It will undoubtedly insure more humane care of immigrants on American vessels subject to our laws than would be possible on foreign vessels. It can not and will not be objected to by those who come here from deliberate choice to become citizens of this Republic. They will rejoice to sail from their foreign homes to our ports under the flag that is to be their flag and the flag of their children, just as it is yours and mine.

Two years ago the merchant marine act of 1920, reported to the Senate and House as a nonpartisan measure and upheld and enacted by our two great political parties working together, provided in one of the sections for a revolving loan construction fund for the encouragement of the building of new ships in the United States, particularly by new companies that might most need the assistance of the Government. This revolving construction loan fund was more specifically established in the present bill, and the sum of \$125,000,000, set aside from receipts of the Shipping Board, is made available for loaning to responsible persons "for the construction by them in private shipyards of the United States of vessels of the best and most efficient type, equipped with the most efficient and the most economical machinery and commercial appliances, or in the equipping by them of vessels already built with such machinery and commercial appliances."

This money, loaned out at interest, will come back into the Treasury again. Loans can constitute not more than two-thirds of the value of the vessels built or to be built, the owners furnishing the rest of the capital required. The Government is protected by a first lien on the ships. This will particularly help new investors and will powerfully encourage the ports of the South, the Gulf, and the Pacific to enter on shipowning on their own account. It is stipulated that the interest charge shall be "at a rate not less than 2 per cent per annum." It does not necessarily have to be 2 per cent. This rate, which may be criticized as unduly low, compares with the 2½ per cent rate at which about \$12,000,000 was loaned by the British Government to the Cunard Co. for the building of the *Mauretania* and *Lusitania*.

Our shipowners, particularly our new shipowners, must secure their capital on even terms with their foreign competitors if they are to live. They are justly entitled to this consideration, and those who may criticize a rate of 2 per cent do so in ignorance of world conditions in the shipping trade. The United States, which for 60 years has done practically nothing to help and strengthen its ocean shipbuilding and navigation, can afford to make loans as cheaply as its rivals can, and must do so to hold its place on the seas. Opposition to this provision simply means that those who advance it are not willing that their own flag, their own people, should have a fair, equal chance with foreigners, whose competition they must meet on every ocean route and in every port.

Another form of indirect aid provided in the bill is a requirement that wherever facilities are available the present Army and Navy transport services shall be transferred to the merchant marine under 10-year contracts for the satisfactory performance of these services. This is simply following the example of successful maritime nations of the world, which do not maintain costly transport services at government expense but make arrangements on a business basis with their own shipowners for the transportation of military and naval forces and supplies wherever needed. This, again, is simply a long-neglected measure of fair play to the American ocean shipping industry, putting it on the same basis with its long-favored foreign competitors.

The bill also requires that Government materials and supplies must be transported under the American flag wherever possible, and that Government officials traveling by sea shall sail in American ships wherever possible. Is there any Member of the House who would object to this and deny this decent preference to the flag of our own country, which the laws and practices of all other nations give to their flags?

Because the ocean shipping industry can not be aided and encouraged as are all other internationally competitive industries by the tariff laws, special consideration must equitably be given to this industry by the provisions in the present bill directing that a deduction of 5 per cent be made in the amount of Federal income taxes paid by shippers of goods either inward or outward in American vessels. This will directly benefit the manufacturers, farmers, and other producers of exported merchandise, as well as the merchants handling ex-



ports or imports, and will powerfully contribute to the increase of our foreign trade. It will indirectly benefit American shipping by encouraging American shippers to send their goods under our own flag. This is a powerful aid of the very first importance. Provisions in the present bill making proper allowance for actual depreciation of vessel property, which has had an extraordinary fall in value all over the world as a result of reaction from the war, and exemptions from Federal taxation on the net earnings of American ships in the foreign trade, on strict condition that the amount of the exemption, with an added amount of private capital, be devoted to the building of new ships in the United States, are simply the amplifying and perfecting of features of the merchant marine act of 1920, already approved by the Congress. The most rigorous precautions are provided for proper enforcement of these provisions to make certain that the United States reaps the maximum of benefit.

It may be urged that these deductions and exemptions from taxation tend to make a specially favored interest out of the shippers and owners of American ships. In fact, these provisions are merely a compensation for the inability to protect American shipping as other industries are protected by our tariff laws and regulations. These deductions and exemptions do not mean any special favor, but merely fair play to the shipping industry, to give it an equal chance with other American industries and with foreign competitors, all of whom are favored or aided in some way by their respective governments. If shipping could be shielded as manufacturing and agriculture are, these deductions and exemptions would not be asked. They are simply in part the equivalents of tariff protection, and they can decently be objected to by no public men who are asking or receiving such protection for their own constituents.

It is because American shipping in the foreign trade alone of all our industries has not been aided or protected by the Government that in the past it has faltered and gone down.

Now, in this bill we are seeking to remedy long years of discrimination and injustice. These, as thus summarized, are the indirect aids to the American merchant marine which this bill is providing. I come now to the direct subsidy, or what the President aptly calls "compensation." This is to be found in Title IV. First, a merchant-marine fund is established, made up of all proceeds from tonnage duties and dues which will amount to about \$4,000,000 a year, and of 10 per cent of the amount of customs duties which will yield about \$30,000,000 a year additional. Into this merchant-marine fund also go all excess earnings of shipping receiving compensation. In this connection, gentlemen, I feel that there are some among you to-day who honestly believe that this merchant-marine fund would necessarily be paid out to the very last penny. This viewpoint, however, would simply give rise to the theory that a bank depositor, for instance, would, as a general principle, seek to draw upon every dollar of his account merely because of its availability. In other words, the individual and corporate tendency of maintaining a surplus or reserve fund would be utterly disregarded. Unquestionably every unexpended dollar of this merchant-marine fund would find its way back into the coffers of the National Treasury, and I venture to say that the turnover would be material to say the least.

Under strict contracts with the Government, compensation is authorized for periods not exceeding 10 years to cargo ships pure and simple and to cargo, passenger, and mail ships, so that this direct encouragement may be realized equitably by all American ships engaged in foreign commerce and meeting foreign competition. This will assist both "tramps" and liners, and is a just, straightforward fashion of dealing with the problem of the merchant marine, ten-elevenths of whose tonnage is now made up of cargo ships. Amounts of compensation to be paid to average cargo vessels under this bill, as has been proved before the committee, will not fully meet the difference in wages and subsistence as between American and British ships, to say nothing of our even more cheaply run competitors of other nationalities.

The bill, therefore, requires that American shipowners shall show more enterprise, efficiency, and economy than their rivals of foreign lands. Our shipowners and operators are put to their mettle to win out—and they will not shrink from the responsibilities. It is precisely estimated on the basis of actual shipping available that the bill will not call for a greater amount for subsidy or compensation than \$12,000,000 to \$15,000,000 for the first year, and that an eventual expenditure of about \$30,000,000 annually will create and maintain a total American shipping in the foreign trade of 7,500,000 tons gross register and capable of carrying from 50 to 60 per cent, or "the greater portion," of the export and import trade of the United States.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. I will.

Mr. GRAHAM of Illinois. Does the gentleman mean that the gross amount paid out under this subsidy will amount to approximately \$15,000,000?

Mr. GREENE of Massachusetts. Twelve to fifteen million dollars the first year.

Mr. GRAHAM of Illinois. That is the gross?

Mr. GREENE of Massachusetts. Yes, sir.

Not only is the compensation carefully restricted to the amount of the merchant-marine fund but it is not gratuitously given to any shipowners. They must comply first with certain rigid requirements calculated to safeguard the interests of the United States. They must, subject to certain slight temporary restrictions, have all their ships built in the United States by American workmen.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. I will.

Mr. SNYDER. My mind goes back to where the gentleman read the organizations of this country which had indorsed this bill. I did not notice in anything the gentleman read that the American Federation of Labor indorsed the bill.

Mr. GREENE of Massachusetts. The American Federation of Labor did not indorse the bill, and one of the witnesses who came before us at the hearings on the bill, and the only one who appeared representing the American Federation of Labor, said he preferred to have goods carried across the ocean in British bottoms and not in American bottoms.

Mr. KNUTSON. Is that statement in the hearings?

Mr. GREENE of Massachusetts. It is in the hearings.

Mr. KNUTSON. That is very important.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. GREENE of Massachusetts. I will.

Mr. BANKHEAD. What witness said that?

Mr. GREENE of Massachusetts. Mr. Wallace, representing the American Federation of Labor. It is in the hearings.

Mr. KNUTSON. Will the gentleman yield further?

Mr. GREENE of Massachusetts. I will.

Mr. KNUTSON. Did Mr. Wallace state why he preferred to have American goods hauled in British bottoms?

Mr. GREENE of Massachusetts. Because he said it could be done cheaper than by American vessels, and he preferred to have it done by the British Government because they understood all about the shipping business.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. GREENE of Massachusetts. I will yield.

Mr. DAVIS of Tennessee. Do I understand the gentleman from Massachusetts to say he made that statement at the hearing?

Mr. GREENE of Massachusetts. He made that statement at the hearing?

Mr. DAVIS of Tennessee. I do not recall—

Mr. GREENE of Massachusetts. Because the gentleman was not there. If he will examine the hearings he will find it.

Mr. DAVIS of Tennessee. He said he was against it because he was opposed to a subsidy.

Mr. GREENE of Massachusetts. He said he was opposed to subsidies, but did not have any principle about it.

These ships receiving compensation must all be classified in our great national agency, the American Bureau of Shipping, in the highest classification possible, thus serving the valuable purpose of making the United States independent for all time from discriminations by the British Lloyd's or other foreign agency. These compensated ships must carry crews of which at least one-half at first, and after three years two-thirds, exclusive of licensed officers, must be American citizens—the remainder of the crews to be of individuals eligible for American citizenship. This is demanded of the deck and engine departments of all American ships receiving compensation, but as Americans do not serve afloat or ashore as servants, an exception is made in favor of the stewards' departments on passenger ships.

This requirement of American citizen crews is a most wise and valuable proposition, for it insures the existence of an American seagoing personnel of economic value to the country in time of peace and of immeasurable defensive importance in time of war. Under this provision the alien seamen, who have been too numerous on our ships and have failed us in emergencies, will hereafter be excluded from the merchant service of the United States. The bill makes elaborate requirement that ships receiving compensation shall be dominantly owned and controlled by American citizens whose first thought is the upbuilding of American interests.



Under special circumstances the Government can increase the rates of compensation provided, and can also decrease them when this is justified. All ships receiving compensation are subject to be taken at any time by the Government for the national defense or for any national emergency at a fair actual value, but it is carefully provided that in no case "shall such fair actual value be enhanced by the causes necessitating the taking." These compensated ships, moreover, must make all their repairs, renewals, or reconditioning in American shipyards. A specially significant provision is that by which excessive profits are prevented.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. GREENE of Massachusetts. I will.

Mr. GRAHAM of Illinois. Before the gentleman leaves that subject, that is what the gentleman said about compensation at a fair market value of the ships at the time they are taken over by the Government. As I understand the hearings, the British ships *Mauretania* and *Lusitania*, I think they were, had a contract with the British Government by which they had to be taken over in time of war at their value at the time they were built. I notice the gentleman did not follow that plan in this bill. Why did you not?

Mr. GREENE of Massachusetts. We did what we thought was best.

Mr. GRAHAM of Illinois. The gentleman thinks it is better to fix the market value at the time they are taken over rather than what they cost the Government?

Mr. GREENE of Massachusetts. I think it is more fair to do that on our ships.

Mr. GRAHAM of Illinois. Well, I noticed that difference.

Mr. GREENE of Massachusetts. We tried to draw this bill fairly and honorably, and if a man had a ship needed in case of war that it would not be proper to take it away from him except at a fair market value at the time it was taken.

If in any one year net profits of any given ships exceed 10 per cent, the balance is to be repaid to the Government until the full amount of compensation is returned. Under this restriction there can be absolutely no profiteering at the Government expense; but it should be emphasized that no net profit of 10 per cent, or any other rate, is guaranteed to any compensated or "subsidized" shipowner. He must take his chance and win his profit by his own economy and enterprise. All that the Government does for him is to place him, through this bill, on approximately even terms of competition with the shipowners of foreign nations.

Thus I have outlined the main constructive features of the proposed bill, a full analysis of which has already been given in the majority report of the Committee on the Merchant Marine and Fisheries. This measure embodies the best thought of which your committee is capable. It is favorably reported to the House by the unanimous action of the Republican majority, with which, I believe I am able to state, at least two of the minority members of the committee are in substantial agreement. We have not sought to bring out this bill as in any sense a partisan measure. As to those minority members who have signed a dissenting report, they must assume their own responsibility for partisan action on a national issue on which there should be no division along partisan lines. The merchant marine is essentially as national and nonpartisan a question as the Navy—a question on which all Americans, regardless of party or of section, ought to be agreed.

Some of those who do not like this bill have described it as a very powerful measure. It is a powerful measure—it needs to be—far more powerful than the merchant marine act of 1920, which was confessedly not complete. We need to give very strong aid to a merchant marine, because for many years our ships have been almost driven off the seas, and their foreign competitors, with the backing of their governments behind them, have had almost absolute command of the situation. In this position they have discriminated against our ships and our flag in every possible way.

Mr. CRISP. Will the gentleman yield?

Mr. GREENE of Massachusetts. I will.

Mr. CRISP. I note during the gentleman's long and honorable career here he has given great thought to the American merchant marine. I would like to know what effect the La Follette Act has on American shipping, in the gentleman's opinion. I have heard it contended it is one of the great handicaps to American shipping, and I have heard it denied. I would like to have the gentleman's views in regard to that question.

Mr. GREENE of Massachusetts. The La Follette Act was the act of both parties. It is in effect the law. It does make the cost of running a vessel higher than those of foreign governments that are not under the act.

Mr. CRISP. To what extent, what per cent?

Mr. GREENE of Massachusetts. I can not tell the gentleman the percentage. I did not figure it out on a percentage basis, because there was no contest over the La Follette Act.

Mr. SYDER. I think in the President's statement he said it was about double. In the gentleman's judgment, he having made a very careful investigation of this question, covering many months, does he not think a pretty fair subsidy would be to repeal the La Follette Act entirely?

Mr. GREENE of Massachusetts. If you can get both sides of the House to do it, I would like to see it done.

Mr. FAIRFIELD. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. FAIRFIELD. Would it not be possible to secure the information that has been asked for by the gentleman from Georgia [Mr. Crisp] concerning the increased cost due to the La Follette Act and have it expressed in the Record?

Mr. GREENE of Massachusetts. I think it would be.

Mr. FAIRFIELD. I think we ought to have the data on that question.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. GRAHAM of Illinois. If the gentleman will yield, there are in the hearings several tables giving the comparative cost under American law and under the foreign laws, and as I looked them over and checked them off I noticed that the cost of running an American ship was just about double what it was under the foreign laws. You will find very extensive tables covering that matter in the hearings.

Mr. SNYDER. The gentleman will realize that that is all on account of the La Follette Act?

Mr. GRAHAM of Illinois. Yes.

Mr. EDMONDS. I may state that the gentleman from Illinois [Mr. CHANDLER] has prepared a complete statement of the comparative costs in American and foreign vessels. When he takes the floor this afternoon he will give that data.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. BLANTON. It was stated yesterday by one of the speakers for the measure under the rule that the extra cost placed upon shipping by the La Follette Act would be an amount greater than the entire subsidy of this bill. Is the gentleman in accord with that statement?

Mr. GREENE of Massachusetts. I would not like to make that statement without a thorough investigation of it, but I should think likely it might be.

Mr. BLANTON. It will probably be admitted by everyone that there are some admirable provisions in the La Follette bill. Leaving them, would the gentleman's party be willing to amend that act and repeal the specially onerous provisions that ought to be repealed?

Mr. GREENE of Massachusetts. Well, the gentleman speaks for his own party. What will they do?

Mr. BLANTON. Well, speaking as one member of it, the present gentleman would be willing to do it.

Mr. GREENE of Massachusetts. All right. I am not discussing that question now.

I need only to remind the House of the recent episode of the Egyptian cotton trade at Alexandria. When American shipowners sought to obtain even a small share of the carrying of the long-fiber Egyptian cotton to the mills of New England, these American shipowners were told that this trade had long been a British monopoly and that not a pound of the Egyptian cotton which American merchants and manufacturers were purchasing could be brought to an American port under the American flag.

Is there any Member of this House whose face does not flush with shame and resentment at a situation where such a thing can be said—not a pound of cotton, American property, to be carried in an American ship? Yet British arrogance and greed had reached this point at Alexandria. There could be no pretense that it was intended as retaliation against American legislation, for this British monopoly of the Alexandria cotton trade had been many years established.

Not until our Government grasped this Alexandria situation could the British monopoly be broken or even shaken. Not until our Government acted, by sending representatives to Great Britain and plainly intimating that there would be reprisals unless there were a change, did the Liverpool liners' conference concede even the carrying of a part of Egyptian cotton to American ships.

What happened at Alexandria may happen at any port of the world where our American ships meet British competition. Therefore an American shipping law must be a powerful law or it will not succeed. All the provisions of this proposed bill



together are demanded by the methods of our adversaries, long entrenched in their position and monopolizing nine-tenths of the carrying trade of the United States. It is because this bill is powerful that foreign interests dread it as they have dreaded no American shipping legislation ever before proposed.

I regret to state that the so-called minority report against this proposed bill, while it bitterly assails the bill, offers no substitute whatsoever. The President of the United States in his memorable address on the merchant marine on February 28 last at the joint session of the Senate and the House of Representatives well declared that "with direct and indirect aid I bring to you a definite program. Those who oppose it ought in all fairness to propose an acceptable alternative. There can be no dispute about the end at which we are aiming."

Mr. FAIRCHILD. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. FAIRCHILD. Are you willing to give your views on the subject of discriminatory duties as a substitute?

Mr. GREENE of Massachusetts. I do not think it is advisable to adopt anything of that kind. I think we have made a very great improvement over any such proposition.

In spite of this weighty admonition of the Chief Executive, those who oppose this bill, as I have said, offer nothing else. They content themselves with criticism and attack. They have nothing better to say. They present not a line or sentence of constructive thought. They fail to meet the challenge of the President and acknowledge that they can not meet it.

On this critical issue of the life of the American merchant marine they have nothing to give this House but pleas long since exploded, empty epithets, and profitless vituperation. They have nothing to suggest but a weak, fatuous continuance of the do-nothing policy that has wrecked our merchant marine in the past and would ruin it for the future. I do not accuse those who signed the hostile report of any deliberate purpose to strike down their country on the seas, but I do declare that the direct, sole beneficiaries of the course they would have the Congress follow would be the shipowners and governments of foreign nations, our rivals in trade and possible enemies in war.

What Europe on the east and Japan on the west dread, as their public men and journals have been openly admitting, is the adoption by our national lawmakers of the forward-looking, constructive recommendations of President Harding. What these foreign interests desire is the defeat of those recommendations and the continuance of that same do-nothing policy which in the past has given foreign interests a monopoly of nine-tenths of our overseas carrying trade and would most certainly give them a like monopoly again.

The issue presented in this bill is, therefore, squarely one between America and foreign nations. There is no middle ground, no possible compromise. Those who blindly oppose this bill show no way out. They have confessedly no policy of their own but one of do-nothing and drifting, which, as the experience of 60 years has shown, is nothing but a policy of defeat and surrender. What that means in a great national crisis was shown in a way that will never be forgotten in 1914 at the outbreak of the great World War, when those nations which we had allowed to dominate our ocean carrying withdrew many or most of their ships from our ports for their own purposes and left our surplus agricultural products to rot in the fields or in the blocked-up railroad trains, and the trade and industry of America were paralyzed in consequence.

That blow fell most heavily on the very sections that foreign shipowners and their governments now look to most confidently to oppose and defeat this legislation; that is, to the great producing sections of the West and South. It was the people of these sections, the farmers and the ranchmen and the planters, who were the greatest sufferers from our lack of appreciation of the merchant marine; and in a similar crisis, which may come in any year out of the disturbed conditions now prevailing in this world, it is these farmers, ranchmen, and planters who would again be the heaviest sufferers.

The only possible protection of the producers of this country—and not of the farms only but of the mines, factories, and mills—is the creation and maintenance of a great American merchant fleet that in an emergency can suffice to carry the bulk of our commerce and that can be controlled by our Government to serve America first. The proposed bill will most certainly accomplish this. Instead of the skeleton, ineffective shipping of 1914, the bill will give us a mighty tonnage, whose competition, under the safeguards of this bill, will assure just freight rates and adequate facilities for our export trade in peace or war.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. RAKER. The gentleman's statement now causes me to refer to Title III of this bill, sections 301 and 304, regarding the

transportation of immigrants by water. Is it the gentleman's opinion as chairman of the committee that that provision of the bill contravenes commercial treaties that we have with foreign nations at the present time?

Mr. GREENE of Massachusetts. I am not disturbed by foreign treaties. If there are any treaties that interfere with this bill, we will try to deal with the nations that are affected diplomatically through the State Department.

Mr. RAKER. I know; but I want the gentleman to be frank in answering the question.

Mr. GREENE of Massachusetts. I am frank, and the gentleman knows it.

Mr. RAKER. Is it not the gentleman's opinion that the provision referred to contravenes 32 treaties now in existence?

Mr. GREENE of Massachusetts. The provision referred to is not to take effect until treaties with foreign nations are properly reexamined and readjusted.

Mr. RAKER. If it is true that the bill does contravene treaties with foreign countries, some 32, why does not the gentleman say in the bill that half of the property that comes into the United States should come in American vessels?

Mr. GREENE of Massachusetts. Does not the gentleman make a distinction between persons and property?

Gentlemen, as a final word let me urge the total dissipation from your minds of the bugaboo which the word "subsidy" unfortunately suggests to some. What are the irrigation dams and the watersheds set up by the Federal Government in cooperation with certain States if not a form of subsidy to landowners, stock raisers, and agriculturists? What are the land grants and franchises given to railroads? Subsidy. What are the advances made for highways? Subsidy. What are the farm-mortgage banks for if not to provide to those concerned at least an indirect subsidy? These are the beneficent applications of a principle with which the public is thoroughly familiar. Why deny its potential beneficence in another quarter because it happens to come forward under a different designation?

The placing of an adequate merchant marine on the high seas, gentlemen, means among other things the promotion of foreign trade and incidentally our fair share of Latin American trade, the retention of about \$300,000,000 a year in freight money in this country, employment of thousands of men in shipping and allied trades, and the creation of a naval reserve, making it certain that never again will it be necessary to create a fleet at a cost of \$3,000,000,000 in an emergency such as we were obliged to meet less than six years ago.

Those who are against this measure and have no substitute or alternative of their own are against the dearest interests of all America. [Applause.]

How much time have I consumed, Mr. Chairman?

The CHAIRMAN. The gentleman has consumed 47 minutes.

Mr. GREENE of Massachusetts. I will ask the gentlemen on the other side to use some of their time.

Mr. BANKHEAD. I yield 40 minutes to the gentleman from Wisconsin [Mr. J. M. NELSON].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 40 minutes.

Mr. J. M. NELSON. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. J. M. NELSON. Mr. Chairman and gentlemen of the committee, President Harding having called us together in extra session, as he said he would, made a very eloquent address to the Congress, appealing for the passage of this measure. I think by common consent we will agree that his was perhaps the best presentation of that side of the subject that any of us has ever heard. Other champions of the ship-subsidy idea on the floor of the House or of the Senate may equal the President in his moving appeal, but I doubt that they will surpass him.

Fortunately or unfortunately for me, although I recognize the potency of the President's appeal, although I know, too, that he has consulted the Shipping Board and had all the arguments and data that they could furnish, and they are insistent upon this legislation, and although this distinguished Committee on the Merchant Marine and Fisheries has reported the bill favorably, I can not give it my support. I recognize the plausibility of the inducement, but I can not support the bill, for sufficient reasons. It is not good to go against one's conscience; that spells moral suicide. Nor do I think it wise or safe to go against one's constituents, for that is political suicide.

Now, Mr. Chairman, I appreciate very much the partisan situation; but let me call your attention to the fact that my friend from Massachusetts [Mr. GREENE], the distinguished chairman of this committee, surely did not mean to say that



our party has declared for this bill. If he meant to convey that idea it was a distortion of the language of the plank in our platform. The platform speaks of indorsing "the sound legislation recently enacted." That was the present Jones law, and the shipping was then under Government ownership. I will not take time to read the plank at length, but I challenge any Republican here to say that the Republican Party has ever declared for a ship subsidy. It indorsed a merchant marine, but that can be done without indorsing a monstrous artificial inflation of unjustifiable special privilege. It did not say, "We are for putting our merchant marine in the hands of a few shipowners and subsidizing them." Gentlemen, let us not distort the facts in order to pass the bill. Let us be frank and open. Not that my friend from Massachusetts [Mr. GREENE] would deliberately distort the truth; but if he inadvertently conveyed to you the impression that there has been any such indorsement it is not substantiated by the facts.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. J. M. NELSON. I would be glad to yield to the gentleman, but I wish to make my own statement, and I have only 40 minutes.

Mr. YATES. Will the gentleman be kind enough to state again just what our platform says?

Mr. J. M. NELSON. I will hand the gentleman our platform and let him read the plank. I can not turn to it this moment.

My friends, I am a Republican, and I have seen all I wish to see of a Democratic administration. I should like to see the good old ship of state steered by Republicans. But when as now my party leaders—and I believe many of them against their own best judgment—steer the ship of state in a wrongful course, when my heart and convictions and conscience rebel against some such legislative measure as this subsidy bill before us now, then, as frequently in the past, I can not go with them. I must resort for a time to a lifeboat or a plank. Self-preservation is the first law of life. You watch Republicans jump for the planks. You watch the Republican whip jump.

Mr. KNUTSON. I will speak for myself. I hope the gentleman will not undertake to speak for me.

Mr. J. M. NELSON. The newspapers quoted the gentleman—

Mr. KNUTSON. The newspapers, as usual, were wrong.

Mr. J. M. NELSON. You watch the chairman of the conference jump. You watch many a Republican save himself before we get through with this bill. I have had to go through this experience very often. I happen to be one of the older Members of this House. I remember when these subsidy bills were up before, when Hanna and Gallinger had started them, and when "Uncle Joe," in his prime and vigor, backed by leaders like Payne and Dalzell, together with my distinguished friend from Massachusetts [Mr. GREENE], were pushing this subsidy privilege. As a new Member, I had to face the music. They were as adroit and eloquent then as they are now. I voted "no" on this subsidy issue two or three times. I was reelected for it by my constituents. The last time it was a dramatic event. It was on the final passage of the bill. The House was all excitement, much more so than now, because everybody knows this bill is doomed. There is no great excitement now, but then it was a live issue. We beat subsidy by 172 to 175. I remember this event distinctly, because before I voted a messenger came to me with the message that Mr. Hitchcock, the new Postmaster General, wished to see me in the Speaker's room. He was also chairman of the National Republican Committee.

Mr. SNYDER. Will the gentleman yield for just a moment?

Mr. J. M. NELSON. I desire to make my speech.

Mr. SNYDER. I desire to call the gentleman's attention to an error in his quotation of the Republican platform on this subject.

Mr. J. M. NELSON. Well, I will put it in the RECORD:

#### MERCHANT MARINE.

The national defense and our foreign commerce require a merchant marine of the best type of modern ship flying the American flag, manned by American seamen, owned by private capital, and operated by private energy.

We indorse the sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine.

We favor the application of the workmen's compensation acts to the merchant marine.

We recommend that all ships engaged in coastwise trade and all vessels of the American merchant marine shall pass through the Panama Canal without payment of tolls.

I do not want this interruption taken out of my time.

The CHAIRMAN. The gentleman declines to yield.

Mr. J. M. NELSON. Mr. Hitchcock said to me, "The President has directed me to ask you as a personal favor to support this bill." This was on the 2d of March, and President Taft was about to be inaugurated with all the prestige of his great victory.

I had done all I could to elect him. That message conveyed by Postmaster General Hitchcock was the most suggestive personal presidential address to which I have ever listened. I thought it over for a moment and then said, "I am sorry, but I can not do it," and so I voted against it. My people were watching that vote. Two years afterwards I was reelected, and four years afterwards I was reelected, but President Taft was overwhelmingly defeated in the country, in my State, and in my district.

Let me say to my good Republican associates here who would vote right, the rank and file of the Republicans are out on the farms and in the factories. They are not these leaders nor these shipowners. If we are going to hold our party, we have got to go to the masses and not look to the ship profiteers. Every man knows it. If you will look out and see the angry waves of discontent, you know that I am speaking the truth.

Now, my friends, so much for the partisan aspect of this legislation. I wish to run through this bill hurriedly to point out a few of the many objections, a few of the great dangers I find connected with this subsidy proposition. The people will understand this measure. We are not doing something in the dark. Everybody is watching this extra session after this surprising election.

First, I recognize the power of the President's argument, namely, that we are already in a bad boat. We have a huge deficit; but there are many things about that aspect of the situation I am not going to take time to discuss. How did the deficit swell up so quickly? Was it deliberate? Was it accidental? Was it necessary? Without making any reflections upon the Shipping Board, I agree with the Nation when it says this of Chairman Lasker:

Indeed, one of the worst features of the subsidy movement is the way in which an administrative body like the Shipping Board has been distorted into a publicity agency and is spending taxpayers' money to further the fortunes of its personnel. Mr. Lasker said before a congressional committee last summer, "I am not an expert in shipping, but I take a little pride in being an expert in publicity." He has proved both contentions.

I do not believe that Mr. Lasker has shed any tears because this deficit was growing so lustily. That made the opportunity for his skill as an advertiser of private ownership and subsidy.

Lest the Nation be charged with being pro-British, I will quote the Bankers' Magazine. It ought to be sufficiently conservative for anybody. Editorially it tells us that this subsidy proposal looks like "pouring money into a sieve." The drift of its opinion may be discerned from the following additional views:

It is not calculated to enhance the popularity of any publication by taking a stand in opposition to the extension of our merchant marine. \* \* \* Whether we shall profit as much as is hoped for by extending the operations of our merchant fleet is a debatable question. It resolves itself into the matter of ability to handle this type of business with economy and efficiency. That is a wise man who does not himself attempt to do what others could be employed to do more advantageously. The same principle applies to the shipping bill. We must not lose sight of the fact that this country has prospered enormously in the last generation with almost no merchant fleet of our own. We were busy in other ways and were making more money by our employing our own capital and large amounts of borrowed funds in building railways and in developing our varied domestic industries.

Granting, however, that the development of a vast merchant marine would be not alone gratifying to American pride but would benefit our industries and commerce, the question remains, Are we ready to pay the price? And this does not mean merely that we shall grant the ship subsidy which the President favors, but that we shall take all the other steps by means of which an American merchant marine can be established and profitably maintained. Unless we take these other steps the payment of \$30,000,000 a year to subsidize American shipping looks like an indefensible waste of public funds. We have not so much money that we can afford to throw \$30,000,000 a year into the sea.

That the President's view is not shared even by Current Opinion is apparent from its article entitled "The ugly duckling—ship subsidy." Of the business wisdom of the proposal it says:

After all, President Harding and Chairman Lasker have not played quite fair with us on this matter. The country has a right to decide the ship-subsidy question as a separate issue and not as a means of disposing of a white elephant left over from the war. The Yankee has a thrifty horror of waste; he is appalled by the news that \$3,400,000,000 was wasted on ships and that they are now eating their heads off at the rate of \$1,000,000 a week. But these facts do not justify us in rushing, before we are sure that it is right and wise, into a policy which will cost another half a billion. If the subsidy is not needed in normal times, it should not be adopted in an abnormal situation, no matter how expensive, temporarily, that abnormal situation may be.

Evidently the New Republic looks at this enterprise from the same angle. It deprecates the fact that the question of subsidizing should be bound up with the disposal of this enormous



fleet acquired during the war. It believes that these two questions should be considered separately.

Instead of this—

It says—

the enormous cost of maintenance of the Shipping Board's boats is used as a feverish argument in favor of the policy of subsidizing which would have little chance of adoption if considered on its merits.

It would be hard to select a worse moment to embark upon a policy of Government charity to shipowners than the present. As a result of a world-wide severe industrial depression, shipping is idle in every port. The leading maritime powers have hundreds of vessels laid up, and you can buy ships anywhere at less than the present reproduction cost, though that is lower than at any time since the war began to raise wages. American shipyards are operating at about 5 per cent of capacity, and are building none but special types. Shipyards abroad are in a similar condition.

Finally, I find myself in accord with the Traffic World, in its failure to understand the business acumen embodied in this bill. It says:

Now, subsidy is advocated and it is proposed that Congress appropriate \$50,000,000 or more annually for 10 years to keep the flag flying on these ships. In 10 years the Treasury would, under that plan, hand over to the United States ship operators \$500,000,000 as help in operating a fleet that the chairman of the Shipping Board says will not bring \$200,000,000 on the market. Whatever else may be said for it, that looks like rather poor finance, does it not?

Nothing seems clearer business reasoning than that if we only get \$200,000,000 for our ships, and then fire Lasker and the Shipping Board, we shall have saved at least \$300,000,000 in 10 years.

Gentlemen challenge us to show a better solution to the difficulty that is before us. It may, indeed, be difficult to suggest a better, but much more difficult to suggest a worse solution of our present shipping conditions.

At the outset, Mr. Chairman, there is an aspect of this business deal, the sale of our ships, that I do not relish.

The shipping interests will buy only a few of the ships, the cream of them, says Mr. Lasker. He does not expect to get over \$200,000,000 for all he can sell. So you give them the ships at that price and then give them the subsidy, and the \$20 per ton will double and treble and quadruple in their hands, because it is backed by a subsidy. The Wall Street Journal says that shippers estimate that a subsidy and favorable regulations will make these ships worth a billion dollars in their hands. Can we vote for such a thing and defend it in good conscience on the stump?

But there is another thing, my friends. When you study this bill you will find that it is so drawn that it provides an assured return of 12½ per cent annually and over that to these shipowners. Why, you know what the people think of the Esch-Cummins law, with its 5½ or 6 per cent guaranty, and that was only for a time. This is for 10 years, an assured return of 12½ per cent.

Mr. EDMONDS. Will the gentleman yield?

Mr. J. M. NELSON. I will.

Mr. EDMONDS. What section of the bill assures a profit of 12½ per cent?

Mr. J. M. NELSON. I thought the gentleman would want that. I will give him the proof. I am convinced, because I have carefully gone over this subject. The Library of Congress has much ship-subsidy information. This bill has been before the people and it has been analyzed by many.

Mr. SNYDER. Will the gentleman yield?

Mr. J. M. NELSON. I will yield if you will give me more time. Can the gentleman from Alabama give me more time?

Mr. BANKHEAD. I can not give the gentleman any assurance that he can have more time.

Mr. J. M. NELSON. I would like to yield, but I have many objections that I wish to present. Here is my authority. Now, will the gentleman listen? In the English Parliament, on May 22, 1922, a member rose in his seat and asked the under-secretary of foreign affairs this question:

What is the estimate of the advantage to the United States shipping which will be derived from the system of subsidy proposed by President Harding in his message of the 28th of February?

The Undersecretary for Foreign Affairs, Mr. Harmsworth, said:

According to the best available estimate, the aid, direct and indirect, which the United States shipowner would receive under President Harding's proposal would amount each year to rather more than 12½ per cent of the capital value of the vessel.

Mr. EDMONDS. Will the gentleman yield?

Mr. J. M. NELSON. I decline to yield unless you can give me more time. If you will, I will yield. Now, then, it may be said, "Ah, that is British; he said that to deceive public sentiment over here; that is British propaganda." Do you tell me that the Undersecretary for Foreign Affairs would lie to the British Parliament in order to influence public sentiment here? I can not believe so. No honorable gentleman, no high official,

in our country would tell us a lie, would endeavor to deceive us so as to influence British action. Do not tell me that he did not know what he was talking about. It is his business to know about British affairs in shipping.

Mr. MILLS. Will the gentleman yield?

Mr. J. M. NELSON. I can not yield unless you will give me some time.

Mr. MILLS. The gentleman knows that I control no time.

Mr. FREAR. Will the gentleman permit me to make a suggestion?

Mr. J. M. NELSON. Yes.

Mr. FREAR. The gentlemen on this side have control of the time and have not given the gentleman from Wisconsin a minute.

Mr. GREENE of Massachusetts. He has not asked for any.

Mr. FREAR. Will the gentleman give him some time?

Mr. J. M. NELSON. The Undersecretary for Foreign Affairs has the special data; he made the most reliable estimate that was possible. If it is not accurate, let some American official high in authority give us his estimate, give us the figures, so that we may have the truth. In the meantime let us accept this estimate. Are you going to give these shipowners an assured income every year of over 12½ per cent? Can you justify it? Government is based on justice, which has two forms, retributive and distributive. Applying the first, I ask what have the shipowners done to merit this subsidy? Before the war they made lots of money. During the war they were among the big profiteers. Are you going to subsidize them for 10 years with an assured income of over 12½ per cent, according to the best estimate of one of the best-informed authorities?

Mr. YATES. The gentleman has made a very important statement. Where does he get it from?

Mr. J. M. NELSON. I have just read the gentleman the authority, the English Undersecretary for Foreign Affairs, Mr. Harmsworth.

Mr. MILLS. Will the gentleman yield?

Mr. GREENE of Massachusetts. I will yield to the gentleman from Wisconsin five minutes.

The CHAIRMAN. The gentleman from Massachusetts yields five minutes to the gentleman from Wisconsin, and does the gentleman from Wisconsin yield to the gentleman from New York?

Mr. J. M. NELSON. Yes.

Mr. MILLS. The gentleman from Wisconsin has stated that this guarantees a profit of 12½ per cent for 10 years.

Mr. J. M. NELSON. The gentleman is mistaken; I did not. I will again give him the language.

Mr. MILLS. I know what that language is.

Mr. J. M. NELSON. I did not say guarantee, but it gives them an assured income.

Mr. MILLS. I understood the gentleman to say, and if he has not said it I will be glad to have him withdraw it, that this will assure a profit of 12½ per cent for 10 years.

Mr. J. M. NELSON. I mean to say what this says here, that according to the best estimate, direct and indirect, they would receive an amount each year rather more than 12½ per cent.

Mr. MILLS. But that does not mean profit, that 12½ per cent may be wiped out by operating costs. Does the gentleman mean to say to this House that this bill assures a profit of 12½ per cent?

Mr. J. M. NELSON. The bill assures a return of more than 12½ per cent on the invested capital of the ship.

Mr. MILLS. I say that the statement of the British authority makes no such statement.

Mr. J. M. NELSON. Oh, what is the use of arguing about that?

Mr. FREAR. Will the gentleman yield?

Mr. J. M. NELSON. Yes.

Mr. FREAR. I want to ask the gentleman who the gentleman from New York is speaking for at this time.

Mr. J. M. NELSON. I will come to that, if I have the time.

Mr. FREAR. Or was the gentleman speaking for the people who want the ship subsidy largely located in New York?

Mr. MILLS. I was speaking for the sake of truth when the gentleman misquoted an authority. [Applause.]

Mr. FREAR. And the gentleman from New York has been on the opposite side of practically every proposition that the last Congress passed, and he is wrong.

Mr. MILLS. I have been in opposition consistently to measures which I thought were not for the benefit of the Nation.

The CHAIRMAN. The gentleman from Wisconsin [Mr. J. M. NELSON] has the floor.

Mr. J. M. NELSON. Gentlemen, construe it as you like. You are capable of understanding what the Undersecretary for Foreign Affairs meant. You will make your own construction. I

wish now to bring another point to your attention. Who is going to pay for this?

Your constituents and mine. By this bill they are to be the burden bearers. How much are they to pay? The estimate of the subsidy in this bill, direct and indirect, is how much? Fifty million dollars said Mr. Lasker, and these gentlemen here can not deny it; but the gentleman from Tennessee [Mr. DAVIS] tells us and gives us the figures that it will aggregate \$75,000,000 or more. Senator FLETCHER gives us figures showing it will aggregate \$100,000,000. The Journal of Commerce supports the figures of Senator FLETCHER. When they set all of these milking machines a going it will be remarkable if they could not squeeze \$100,000,000 out of the United States Treasury. How are we going to defend that in conscience before our constituents? Our opponents will take the largest. One hundred million dollars; that is one-quarter of a million dollars to each congressional district. They will take a total for 10 years of \$500,000,000, \$750,000,000, or \$1,000,000,000. The last figure, divided up throughout the districts, amounts to a quarter million dollars per year for 10 years—\$2,000,000 at least. Are you going to vote this burden upon your constituents to make this assured subsidy of 12½ per cent? We will not call it a guaranty. It means a return of 12½ per cent and more of subsidy on invested capital. Ah, you can defend that, but I am not going to try to do it. Does that constitute equal rights for all? Is that special privilege for none?

But let me go on. There is another subject right there, and that is the contract authorized by this bill—a contract! That is a joker! A contract? It is put in contract form, but that contract means that you are going to lose the right to vote on this subsidy proposition again. By Shipping Board contracts we shall be bound for 10 years to furnish this assured return of subsidy of 12½ per cent to the shipping interests out of the taxes paid by our constituents. That is what it means. Where is the consideration for this contract?

The nominal consideration is rhetoric—the flag! and an imaginary merchant marine! But what is the real consideration? There is no consideration at all. History and human nature have shown that a merchant marine can not be established by pumping millions into it for a term of years. It will be artificial. A merchant marine, so the experts say, must be established according to the principles of human nature, through business ability, prudence, wisdom, and in accordance with economic and geographical principles and conditions. Subsidies, except in the case of Japan, have never produced a merchant marine. Again, what consideration is left? None at all. Will you have any guaranty of reasonable rates? What will you have? What is the consideration? Nothing but language, rhetoric. That is all. The contract is there in the bill, and it is there for a purpose. It is a joker. With contracts authorized by law the shipowners can snap their fingers at the public for 10 years.

Let us now get to another thing that is very interesting. The distinguished chairman of this committee, Mr. GREENE of Massachusetts, said that the great business interests are for this bill. Certainly. But we do not want classes or costs in our country; we do not want a house divided against itself. Let me tell you something. This bill is loaded full to the brim with special-interest legislation. I took the pains to look up the formative stages of this subsidy bill. The National Manufacturers' Association met in New York at their last convention, and their merchant marine committee came out for ship subsidy. We thought that we had buried this subsidy seed, alien to American soil, but we find that it is like that of wild oats and stinkweed. It must be kept under all the time or it will grow. We thought that we had buried it forever, but they brought it to the surface and watered it.

The shipowners saw their opportunity. They had a committee appointed of shipowners, ship operators, and shipbuilders to prepare their demands. These were submitted to the Shipping Board. You can find all this in the Wall Street Journal and the Journal of Commerce. These publications kept close tab on this thing and reported developments right along. The propaganda was soon on to line up big business for this legislation, containing all the demands of the joint shipping interests.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield? Mr. J. M. NELSON. Not now. Let me get on. I get diverted. Then there began a widespread propaganda. The Merchant Marine Association became active, and especially Mr. Marvin, vice president and manager of great steamship lines, together with the Shipping Board, lined up the interests solidly. The propagandists got busy before this committee and in the press, as the gentleman from Massachusetts [Mr. GREENE] has told you. They did get 165 chambers of commerce to in-

dorse his bill. Of course, it is only a perfunctory indorsement. They got the packers, the millers, and the National Manufacturers' Association. Five per cent—5 per cent tax exemption to them in this bill. They have organized the special interests—railroads, trusts, and all.

But on the other hand, where are the masses of the American people? Think about them. Think of labor. Labor, so far as it can speak, has spoken. It has made its voice articulate. The sailors' union was before this committee to protest. Some labor representative, a Mr. Wallace, the chairman says, testified that he would like to see our trade carried in British bottoms. Let me tell you the truth about that. I presume the argument of this witness was something like this: That rather than try to build up an artificial thing, England being naturally a shipping nation, we might well use her large shipping facilities rather than throw our money away.

The Nation describes this bill as "shoveling money into the sea." The Bankers' Magazine thinks it is much like "pouring money into a sieve." So, rather than do that, why not get it done more cheaply, even if it be necessary to send it in British bottoms? But it is dreadful, they say, to say such an unpatriotic thing. Listen to this, gentlemen. Here is some more of that kind of language:

England performs her function as a public carrier so satisfactorily that it has not been, and it is not now, worth the while of any other nation to compete with her.

Who said that? Theodore Roosevelt. Among the clippings on a table in the Library of Congress I found this citation. It is common sense. Roosevelt said it, and other people are saying it. Are people who say this pro-British? Bosh! I am not pro-British. The subsidists said years ago when we defeated them that we were pro-German; now we are pro-British. I am an American. I am neither pro-German nor pro-British. I am pleading against a foreign policy.

Labor has denounced this bill. The Federation of Labor has denounced it. The organized railway brotherhoods are against it, as the gentleman from Ohio [Mr. COOPER] knows. They do not like the Esch-Cummins Act and its guaranty. They do not like this any better.

How about the farmer? Oh, the farmer has made himself very clear on this question. Have you read the election returns? Did you see the men elected who ran on antiship subsidy platforms? I ran on one. It was a platform denouncing this bill, and I won overwhelmingly. Those who did favor it went down to defeat. Have you noticed the fatalities? Thirty-five per cent of the vacancies on the Republican side of this Merchant Marine Committee! They prepared this bill; I presume they told their constituents all about their arduous labors for a subsidized merchant marine. Five out of fourteen defeated.

Ah, friends, the farmers of the West and the East, the North and the South have heard of this bill. The chairman mentioned Mr. Howard, of the Farm Bureau Federation. Look up the record. He said his bureau was against subsidy on principle. His approval was most perfunctory; his organization in Iowa voted 37 to 1 against subsidy. All the other farm organizations are against it. The National Grange, very conservative, is unanimous; always has been against subsidy. The Farmers' National Council has come out against this bill. Pressure was brought on the Board of Farm Organizations to get them the other way. The National Council denounced it in vigorous terms. Every farm paper except one in Oregon—

Mr. KEARNS. The gentleman says "farm bureau." What does he mean?

Mr. J. M. NELSON. Mr. Howard is reported—

Mr. KEARNS. But the gentleman does not say that Mr. Howard is the farm bureau.

Mr. J. M. NELSON. He is at the head of it.

Mr. KEARNS. There are millions of men and women who belong to it.

Mr. J. M. NELSON. The gentleman is right. Every farm paper save one in Oregon—and, mind you, a paper owned and published by the Secretary of Agriculture, who is not himself responsible now for its editorials—has denounced this proposition through the pen of the Secretary's son. So far as the farmers can make themselves felt they are against this thing unanimously.

Mr. CLARKE of New York. There is an exception of one farmer.

Mr. J. M. NELSON. I say here is the line-up. We vote either with the big interests or with the masses of the people. We choose to-day with whom we will go, and they will hold us to account. Whose will we do their servants we are.

Now, then, I come to another point. Gentlemen, look at the matter of competition. What is the purpose of this bill? It is



to eliminate competition. How? Directly by getting the United States out of competition with the shipowners. That is the specific thing in the bill. Australia found it necessary to buy State ships to protect herself recently.

Say we eliminate competition. What happens? The nearer we establish monopoly on the sea. Gentlemen, these shipowners are organized now. They appeared before the committee as associations. They presented demands through shipping men who say they speak "for the entire merchant marine." They not only have their organizations but they do not trespass on each other's territory. It is easy to have institutes and all that. It means the elimination of competition—

Mr. SNYDER. Will the gentleman yield for one question?

Mr. J. M. NELSON. If the gentleman will pardon me, I decline to yield.

Mr. SNYDER. I would like to know what—

Mr. J. M. NELSON. Oh, ship-subsidy champions boast they want control of the seas so far as American shipping is concerned. They paint a glorious picture of the American flag waving over a merchant marine that has eliminated foreign competition. Are you going to vote a subsidy to give our shipping interests a world monopoly?

If so, I come to another thing, freight rates and passenger fares. They are very reasonable now; they have come down. There is no reason why we can not ship now if we only had the goods to ship and Europe the money with which to buy. The rates, as I say, are down. But when we eliminate competition, what must happen? The rates will go up for American wheat and other products of the farm shipped abroad and the people pay the freight bills in the end. First a tax for subsidy and then a raise in rates. That may be in accordance with your opinion of what is right, but not mine. I think it is suicide to go home and defend that. Rates and passenger fares, as I said, are low now. Can you defend laying a tax upon your constituents to increase sea freight rates and passenger fares to shipowners after this bill has become a law? What will prevent it?

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. J. M. NELSON. I will.

Mr. GRAHAM of Illinois. This is in good faith. If we are in competition with other maritime nations and their fleets, how can our rates rise above the rates of the other nations which are on the high seas?

Mr. J. M. NELSON. Our rates have gone down by the competition of the Government. When you take the Government out they will go up.

Mr. GRAHAM of Illinois. If medium profitable rates are charged by other maritime nations on their ships, how can we raise the rates above that?

Mr. DAVIS of Tennessee. Will the gentleman yield for a question?

Mr. GRAHAM of Illinois. That has bothered me a great deal.

Mr. J. M. NELSON. The gentleman is a fair-minded man; look it up.

Mr. GRAHAM of Illinois. But will not competition keep it down?

Mr. J. M. NELSON. But we are going to eliminate competition.

Mr. GRAHAM of Illinois. We are meeting the rates of the foreign ships.

Mr. J. M. NELSON. The plan is to put the foreigners out of business by special favors and privileges to our shipowners and harsh requirements placed upon foreign competitors.

Again, my friends, tax exemption. Ah, gentlemen of the committee, it is a bonanza! This is from the committee's own report:

Foreign-flag ships are, of course, most anxious to carry our goods to market in ordinary times, and to collect and retain and carry abroad the fabulous amount involved in international carrying trade.

Senator RANDELL, the chairman of the Merchant Marine Association, says in a speech I have here that carrying our trade with Europe by sea amounts to "more than a billion dollars." This is the Senator's language:

Occasionally, too, there is a real American with a real dread of retaliation, but he has seen only one side of the picture, and that is the side painted for his benefit by foreign interests and foreign connections. To such I say, remember that an increased share of our own trade for our own ships means for foreigners a decreased share of the more than a billion dollars spent annually for the sea carriage of American exports and imports.

Taxable income from exports and imports, a billion dollars a year! All earnings exempt from taxes. No tax on this billion-dollar trade! And not only that, but the shippers, the members of the Manufacturers' Association, and the big com-

binations are to have a 5 per cent share in this exemption privilege! Oh, it is beautifully arranged for shipowners and shippers, but when we go home to our constituents, how will we defend this tax-exemption feature of this subsidy bill? A total exemption of \$1,000,000,000 on shipowners' income in the foreign trade and 5 per cent for shippers!

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. J. M. NELSON. I regret I can not yield. Will the gentleman yield me time?

Mr. EDMONDS. I have not heretofore used any of the time I have yielded to you.

Mr. J. M. NELSON. The gentleman will get all the time he needs and no doubt make a very interesting speech very soon. Let me go on.

What are gentlemen saying about this tax-exemption business in their speeches? That it is an evil, that it is wrong to exempt any class or person. Constitutional amendments are offered to end this evil. Even the Secretary of the Treasury declares against it. And here comes a bill exempting a possible billion dollars to shipowners; and these 6,000 manufacturers have fixed up a nice scheme so some of them will also save \$10,000,000 or more in taxes. We are to defend this thing before the bar of conscience and to our constituents. I think not.

Oh, not only that, gentlemen, but they have gotten up another dainty special privilege for these gentlemen. They are to have credit. Credit is a mighty important thing out West. They have a beautiful provision in this bill—\$125,000,000 revolving fund to furnish credit for these shipowners at 2 per cent, to allow them to borrow up to two-thirds of the value of a ship and 15 years' time; a revolving fund for these gentlemen. Is it necessary? No. Who said so? Thomas W. Lamont, of J. Pierpont Morgan & Co. In the Bankers' Magazine recently I read an article of his respecting foreign loans. He says among other things:

American investors are to-day making loans on a considerable scale to European and other foreign railroads, industrial corporations, and governments.

In reply to the idea that credit is thereby withdrawn from commercial channels in America, he says: "Possibly there might be some ground for such a theory if we were in a period of tight money. But we are not. Owing to the let-up in business and, therefore, in the demand for temporary or seasonal borrowing, our surplus reserves are very great. This country holds to-day 60 per cent of the entire world supply of gold. Based on this holding our Federal reserve banks could to-day extend fresh credits to the amount of \$3,750,000,000 without falling below an average reserve ratio of 40 per cent. In other words, there is ample credit in our money markets to-day for every commercial enterprise that is legitimately entitled to it."

The logic is self-evident. If these shipping interests come under the head of a legitimate commercial enterprise, there is ample credit in our money markets to-day, but if they are not a legitimate commercial enterprise, why should Uncle Sam subsidize them with a special \$125,000,000 revolving loan fund at 2 per cent? You may be able to defend that in your districts, but I could not before my constituents.

Appropriations! Of course this is some mutton patch. So a part of this Garden of Eden is a provision for permanent appropriations for 10 years. Uncle Joe, you, of all here, know the un wisdom of making permanent appropriations. I have heard members like yourself, long chairman of the Committee on Appropriations, say it is a dangerous practice. But we are to make this legislative departure from prudent and patriotic practice now.

The special rule that was adopted for this purpose made it in order to vote permanent appropriations for 10 years. But why permanent appropriations? Otherwise it would have gone out on a point of order, because shipowners know the people will never stand for this subsidy legislation. They know that as soon as the people get a whack at this thing they will smash it. To safeguard the subsidy against the people they provide a permanent appropriation for 10 years. The people's Representatives, who are on guard to protect the people's purse, trustees of an express trust, are no longer to pass annually upon appropriations for subsidy. It is all carefully put out of our power to change these contracts—contracts and permanent appropriations for 10 years. It is a beautiful bill!

Now, gentlemen, another feature of this measure: Do you believe in building up an autocratic bureaucracy? Show me another branch of the Government with such autocratic power. And what is there about these gentlemen that they should be trusted above the President and the Supreme Court? They can do about as they please in the sale of ships. They can do as they please about the \$125,000,000 revolving fund. They can



change the subsidy. They can allow 100 per cent. In the last revision of this bill, after severe criticism, the Shipping Board is required to make a report. But this is the most autocratic bureau I have ever seen created by law, and we are now to put into their hands the largest subsidy ever granted to shipping interests in this country or in the world. The subsidy provision of this bill aggregates more than all the subsidies in the world before the war, and likely 50 to 100 per cent above that sum. A member of the Shipping Board gives the world total before the war as only \$35,535,199. This is a tremendous trust when you look into it. Who are the Shipping Board?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. J. M. NELSON. May I have 10 minutes more to finish?

Mr. BANKHEAD. I yield to the gentleman 10 additional minutes.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 additional minutes.

Mr. J. M. NELSON. Gentlemen, you give the president of this board and its members very great powers—greater than should be given to any one in time of peace, not even to the President himself. This is, or should be, a government of laws, not persons; of regulations and not whims. Let me point out one man on this Shipping Board, you can look up his name for yourselves, who has been very active for this subsidy propaganda. I found his articles in the magazines and I found his speeches in the newspapers. So I looked him up. The Wall Street Journal tells of his obtaining legislation for an Atlantic line years ago. I looked him up in Who's Who. There he says himself that he acted as attorney for certain associated shipping interests 21 years. This lobbyist and attorney of the ship-owners is one of the members of this board. How can he divest himself of his atmosphere, environment, viewpoint, so as to act impartially with all these powers and special privileges in his hand?

Gentlemen, are you going to vote for such a bureaucracy to dispense such immense sums? Has this board and its predecessors by its extravagance, waste, and bad management given you such confidence in its judgment and ability? How can you defend such autocratic powers before your constituents? I am not going to attempt it before mine.

Now, just one or two more points of interest. Clemenceau is here. He is appealing to us for France. We have heard the wail from all Europe, the cry, "We are staggering, we are bankrupt, we are going down. You are rich. Help us." It is the Macedonian cry, "Come over and help us." The big bankers have said to us, "Oh, cancel the debt; cancel the debt." We say, and I think correctly, "We can not cancel the debt. We can not give up the \$11,000,000,000 that you owe us. Look at this shipping wreck. Look at the sacrifices we have made. Look at these other things the war left us—pensions, and doubtless a bonus. We have our own debt of \$26,000,000,000. We are ground down with taxes. You must pay. We will give you time, but you must pay."

Then they say, "You have the gold." Yes; we have the gold. "Then, let us send the goods." "No; we will not have your goods." So we put up a high-tariff wall. Then they say, "In heaven's name, let us carry a part of your sea traffic! Give us a chance to do something to enable us to pay you." We say, "No; we are going to carry the traffic ourselves," and we strike them a solar plexus blow by creating a subsidized merchant marine, the largest the world has ever seen. We put them off the ocean. Ah, gentlemen, there is such a thing as American pride and patriotism, but let it not be expressive of cold-blooded greed and heartless inhumanity.

Gentlemen, there is such a thing as retaliation. They are already saying, "You are playing with loaded dice. The world has now free ports and equal shipping rights, but you Americans are about to substitute discrimination and favoritism. You are doing it deliberately, because you have the power. You avow your purpose to drive us out of your ports. We are weak now. We are bending under war burdens. But if we must resort to the lex talionis, an eye for an eye and a tooth for a tooth, we can and will strike back."

Shall this be our answer to Europe's appeal to us in her great distress? Shall we strike her shipping a body blow? How are they to pay their debts to us? In God's name, how are they to pay?

Mr. Chairman, there was a time years ago when the flag of our country was beloved of all the world, when it was the beautiful emblem of liberty and love. Shall we make it a thing for nations to hiss their hatred at all over the world? Oh, let us still play the part of the big brother, not the big bully, of the world. [Applause.] Fellow Republicans, the leaders would destroy our good old party. I beg you, take to the lifeboats. Take to the planks! [Applause.]

The CHAIRMAN. The gentleman from Wisconsin yields back three minutes.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. EDMONDS]. [Applause.]

Mr. EDMONDS. Mr. Chairman and gentlemen of the House, before going into a description of the bill and what it is proposed by the committee to do to take care of our ships, I would like to state that the committee have never felt that the authorities used by the gentleman from Wisconsin [Mr. J. M. NELSON], the Wall Street Journal, or the Nation, that he so freely quotes, were any friends to the American merchant marine, but we know that always in every way they have represented the view of the people and the shippers on the other side of the water. [Applause.] I do not believe a member of the British Parliament could have come before the House of Representatives and made a better argument for the destruction of the American merchant marine than has been made by the gentleman from Wisconsin [Mr. J. M. NELSON].

With these few remarks, I want to take up in a sensible manner what it is proposed to do in this bill. There may be sections that are not satisfactory to the House. You have your opportunity next week to take them out or change them when the bill is considered for amendment. We, in our judgment, have tried to produce for the House a rounded bill that we knew, if put into effect, would restore the American merchant marine to the seas, so that our merchants who do business in foreign countries would not be ashamed of their home country or have to utilize the ships of foreign nations to carry their goods back and forth.

Gentlemen, I was in Yokohama when the *Mongolia* left there, and with the resident Americans stood on the wharf and cried. It was then said that the Pacific Mail was going out of business; that it was the last trip of the *Mongolia*. Our compatriots, the men who are building up the business of this country in foreign ports, stood on the pier and cried as that ship left the harbor, and I did too. Is it the intention of the House of Representatives to take into consideration any other thing than to build up the American merchant marine? We have only two things before us. Are you in favor of Government ownership and operation such as you have had, and such as you will have in the future if you have Government ownership and operation, or are you willing to consider some method of placing these ships into private hands and operating them?

The shipping business is not the same as any other business. The other ship has the trade, and until you get the trade you have idle ships the same as England did when it took the trade from Spain, and the same as any other nation that takes the trade away from any other nation has had to do. Now, with these few words I will describe the bill. If gentlemen have the bill I will ask them to follow me, and I am ready to answer any questions that may be asked. The first section of the bill amends section 5 of the merchant marine act of 1920. The principal change is in connection with the matter of the sale of vessels and the interest to be paid on the unpaid purchase money. The interest rate was not fixed in the original shipping bill and we have set it at 4 per cent. The interest rate is on the unpaid balance. If a man buys a ship and pays 20 or 40 per cent, he pays interest at the rate of 4 per cent on the balance.

Mr. EVANS. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. EVANS. Will the gentleman state why you fix the interest rate at less than the Government can borrow money for?

Mr. EDMONDS. If gentlemen want to, they can change it, but it was the judgment of the committee that that was the right rate. We have made the bill perfectly open, freely open to amendment, so that you gentlemen can register your decision on the subject.

We have done one thing more in this section. We have arranged that the competitive bids may be set aside by the Shipping Board, but only on an agreement of five out of the seven members. The reason that was done was this: Frequently a man will come in and want a ship immediately. He will buy the ship, and the board says under the act we have to advertise, and we have lost a number of sales of that kind. If the prevailing market rate is received for the ship, I can see no objection to dropping the bids and letting them have the ship at the market rate.

Section 2 amends section 7 of the merchant marine act of 1920. It appears that a number of the different cities, particularly those along the Gulf coast, have been establishing lines, endeavoring to build up these lines on a profitable basis, and they think the experiment has not had a sufficient length of time to be proven. They have asked us to extend the time. At first they wanted five years. We felt that we wanted to get



rid of the fleet before the end of five years, and at last they agreed to extend it for two years. That gives the Shipping Board the privilege of continuing the service for two years, and I have no doubt that if Congress wants to change it two years from now they can do it.

There have been a number of rumors at the time we were drawing the bill that there would be established two big corporations, one on the Atlantic coast and one on the Pacific coast. There are now 72 different corporations in the ocean carrying trade of this country. These two big corporations were to handle all the business. So we have put in a section, as follows:

It is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine, and, in pursuance of this policy, the board is directed, in the development of its sales policy, to continue as far as possible and practicable, subject to the provisions of this section, all existing steamship routes and regular services, and to endeavor in every way to bring about the permanent establishment of such routes and services, and their retention, as far as possible, in the hands of persons having the support, financial and otherwise, of the domestic communities primarily interested in such routes and services. In carrying out the provisions of this section the board is directed to investigate fully all matters in connection therewith, and to conduct hearings at which the persons interested in such communities may have the opportunity to express their views as to the course to be pursued by the board and the methods to be adopted in carrying out the policy herein prescribed.

Not that we have had any absolute information as to the formation of these big corporations talked about in the newspapers and around the House.

Mr. LONDON. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. LONDON. What is the proportion of privately owned tonnage to the amount of tonnage operated by the Government?

Mr. EDMONDS. I have not the figures, but I will get them and put them in the Record. I think that the Government owns about 75 per cent and private owners 25 per cent.

Section 3 of the act makes the insurance sections of the Jones Act of 1920 operative. It appears that in drawing the act of 1920 there was a question raised as to the Government taking care of the equities in the marine insurance fund. They have been carrying on that business, but they would like to have it changed so as to make it authorized by Congress. Now, the new section of the bill, section 10, provides that wherever they find that the foreign insurance rate is more than the rate in this country they can also insure the balance of the equity in that ship. We found that in order to break down the American syndicate that had been formed under the Jones Act the year before last the foreign insurance folks were making special rates in order to attract insurance to the other side. They were taking it so far below that insurers complained. Now we cut out all commissions and bother of that kind, and when a ship is insured, if the man finds that he can get cheaper insurance on the other side, we keep the insurance in this country—not in the broad spirit spoken of by the gentleman from Wisconsin.

Section 5 of the new bill provides for the payment of the \$125,000,000 fund. The Shipping Board has to-day the authority to set aside out of the sales \$25,000,000 a year, and that authority is given them for five years. That is \$125,000,000. But owing to the fact that we thought that a great many people after the bill was passed would come in and ask us for certain types of ships that we had not, we expected a greater rush at the beginning of the operation of this bill than we did at some other time during its operation.

We have set aside \$125,000,000, but, mark you, not out of the Treasury of the United States, not out of the profits of the operations of the Shipping Board, not out of the appropriations you will make annually, but they have to sell ships or other property for \$125,000,000 to get that money before they can loan it. What do we do with that money? We say to them, "You can loan two-thirds the value of a ship at 2 per cent." Why? Because in Italy they are giving a shipbuilding subsidy to the shipyards, to the constructing yards, and in Japan they are giving construction subsidies, and in France they are following the old policy of construction subsidies. We thought that in all probability if we could reduce the overhead in the ship to a little over 3 per cent by giving these men on two-thirds of its value money at 2 per cent and letting them pay 6 per cent on the balance we would make it attractive for them to build these types of ships that are at present very much needed to round out this fleet.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. GRAHAM of Illinois. The gentleman speaks of what they are doing in Japan and England on construction subsidies. Does he know of any cases where the nations are paying construction subsidies and also operating subsidies?

Mr. EDMONDS. Oh, yes.

Mr. GRAHAM of Illinois. Is that where there is a mail subvention? Do you know of any such case?

Mr. EDMONDS. Oh, yes. Japan pays a navigation bounty and a mail subvention, both.

Mr. GRAHAM of Illinois. That is, a construction bounty and a subvention for carrying the mails?

Mr. EDMONDS. It gives a construction, a navigation, and a mail bounty—all three.

Mr. J. M. NELSON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. J. M. NELSON. Is it not true that we have now something like 1,500 ships of our own?

Mr. EDMONDS. About 1,400 and some odd.

Mr. J. M. NELSON. Then why create a revolving fund to build more ships?

Mr. EDMONDS. Because we need certain types of ships to round out a fleet.

Mr. J. M. NELSON. Have not we about three or four hundred now that are available?

Mr. EDMONDS. Let me explain that to the gentleman, because we might as well know all about it now as at any time. We have a large number of cargo boats, a very few passenger boats, and we have a certain tonnage of oil tankers, but no refrigerator boats that I know of. If we have, they are very few. We should have refrigerator boats. We will take the position of a shipper. Suppose a man forms a shipping company and he comes down to the Shipping Board and says to them that he is going to haul meat from Argentina or to carry meat products out of this country, and that he needs refrigerator boats and also needs a certain number of tankers to carry oil, because he will use oil-burning boats, and that he wants so many cargo boats and so many passenger boats, or so many part passenger and part cargo boats. Now, if the Shipping Board has not them to give to this man he can only purchase a part of his fleet from the Shipping Board and he has to go somewhere else for the balance of the fleet which he contemplates using in the trade he is going to enter.

Mr. J. M. NELSON. This bill, as I understand it, is built on two theories—to get rid of the ships on the one hand and to build up a permanent foreign trade on the other. The primary thing, however, is to get rid of these ships and of the deficit. Are we not building up a revolving fund with which to construct more ships in competition with our present ships? How are we going to sell them?

Mr. EDMONDS. No. None of these ships will be built by the Shipping Board to compete with their own ships. These ships will be built by private parties and we will take a mortgage on the ships for two-thirds of their value.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. BLANTON. The gentleman from Nebraska [Mr. EVANS], I thought, asked a pertinent question. The gentleman from Pennsylvania says that we are to create this \$125,000,000 revolving fund and loan it at 2 per cent. The gentleman knows that the Government now faces a deficit of \$700,000,000, and if we were to place the \$125,000,000 back into the Treasury, we would have to borrow just that much less, and the amount we are borrowing we are paying about 4½ per cent and more for. Is not that an extra subsidy?

Mr. EDMONDS. I think the last loan was at 4 per cent or 4½ per cent.

Mr. BLANTON. It runs up to 4½ per cent. Does not the gentleman think that that is an extra subsidy that we are offering the shipping interests of the country?

Mr. EDMONDS. This is not a subsidy at all, it is simply a construction fund.

Mr. BLANTON. It is just a gift, as the gentleman says.

Mr. EDMONDS. Oh, no; it is not even a gift, and the gentleman from Tennessee [Mr. DAVIS], who is prompting the gentleman, knows that it is not.

Mr. DAVIS of Tennessee. I know that it is, and so does the gentleman from Pennsylvania.

Mr. EDMONDS. The difference in the rate of interest is a gift; yes.

Mr. DAVIS of Tennessee. That is what I am talking about.

Mr. EDMONDS. I thought the gentleman meant that the fund was a gift.

Mr. BLANTON. I am talking about the difference in the rate of interest.

Mr. EDMONDS. Did I not say it would make his interest rate a little over 3 per cent and cut down his overhead by that?

Mr. BLANTON. That is an extra subsidy.

Mr. EDMONDS. Yes. I say frankly that we have left it open for you to decide whether you want to leave it at 2 per cent or not. We think that is good judgment. We do not pretend to be infallible.

Mr. STEVENSON. The gentleman is speaking of having these boats constructed and loaning money to construct them in order that they may go into competition in the world markets. Is there anything in the bill which will change the provision in the tariff act which provides that where a ship-builder constructs a ship with imported materials and sells it to a foreigner he can get a rebate of all the tariff he paid on the materials, whereas if he sells it to one of our own people, who is going to operate it under the flag of the United States, he does not get the rebate? Is there anything to correct that in this instance?

Mr. EDMONDS. No.

Mr. STEVENSON. In other words, are we going to still prefer the foreign purchaser to the extent of the tariff on materials or, when we begin to loan money to build ships for America, are we going to give the American an even deal with the other fellow?

Mr. EDMONDS. I do not think there is anything in this bill that covers that subject.

Mr. JONES of Texas. The gentleman says that this is not a subsidy except so far as the difference in the rate of interest is concerned. It authorizes a loan of two-thirds of the cost of the ship which is constructed?

Mr. EDMONDS. Yes.

Mr. JONES of Texas. Does not the gentleman think that our experience shows that a ship is not good security for two-thirds of its cost?

Mr. EDMONDS. Oh, the gentleman knows that it is not fair to take the cost of the ships during the war and compare it with what it costs to-day. To-day we are building ships within 25 per cent of what they are costing abroad.

Mr. JONES of Texas. We are not able to sell them for anything like two-thirds of the cost that it would take to replace them.

Mr. EDMONDS. I heard a quotation made on a cargo ship of \$65 a ton, and the man said he would not make any money on it, but he would take it in order to keep his organization together.

Mr. JONES of Texas. Does the gentleman think that a ship is good security?

Mr. EDMONDS. I do not think there is any question that in normal times a ship is good security.

Mr. JONES of Texas. I notice in connection with that provision the gentleman does not make the stipulation that any of the proceeds of the cargo of shipment shall be applied to the payment of their loan; so even if the ship was security at the time it was in operation, still it might not be security. There is no provision for cutting down the time of payment, or—

Mr. EDMONDS. The gentleman will notice that arrangements were made that the payments should be reduced gradually.

Mr. JONES of Texas. I did not catch that.

Mr. EDMONDS. The payments are to be made gradually.

Mr. DAVIS of Tennessee. On the loan fund?

Mr. EDMONDS. I think so.

Mr. DAVIS of Tennessee. I should like to see it. The gentleman is speaking of the sales provision.

Mr. EDMONDS. The gentleman is right.

Mr. JONES of Texas. Then there is no provision—

Mr. EDMONDS. But good business and good judgment would require a payment equal to 5 or 7 per cent a year.

Mr. JONES of Texas. Is there anything in the bill requiring the board to do it?

Mr. EDMONDS. No. But they are expected to get ample security.

Mr. JONES of Texas. So far as limitations in the bill are concerned, they could grant credit for a period of years, and then two-thirds of the value—

Mr. EDMONDS. Fifteen years is the limit.

Mr. JONES of Texas. And by that time the ship may be worn out.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. DAVIS of Tennessee. Is it not regarded by shipping experts that the average life of a ship is 20 years?

Mr. EDMONDS. Yes.

Mr. DAVIS of Tennessee. And that Homer Ferguson, a man very well qualified in shipping circles, says from 10 to 14 years was the useful life of a ship.

Mr. EDMONDS. Mr. Ferguson made that statement, I think, in connection with the ships built during the war.

Mr. DAVIS of Tennessee. No; he was speaking generally.

Mr. EDMONDS. I am frank to say that Mr. Bernard Baker told me personally—he is the man who helped to write the original ship legislation—he told me it was fair to contemplate that at the end of 20 years the expense of repairs on a ship were too great for the value of the ship at that time. Now, he says that ships may have lasted 30 years or may last 40 years or 50 years, and I saw an iron ship, not a steel ship, that lasted over 40 years. We have one running on the Pacific to-day 42 years old, an iron ship. He said in England they made it a custom of considering 20 years as the life of a ship.

Mr. DAVIS of Tennessee. I was talking about the average life of a ship.

Mr. FREAR. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. FREAR. What are we going to do with the 1,400 ships and how long a time will it take to dispose of them under this bill? What is the gentleman's estimate?

Mr. EDMONDS. I can not make any estimate.

Mr. FREAR. Has any estimate appeared in the hearings?

Mr. EDMONDS. It is expected in two or three years four or five hundred ships will be taken of the 1,400. There are about 7,500,000 tons of shipping considered as A No. 1. The rest are considered as second grade and will be sold to people who want to use them in the local coastwise business. I have a man in the coastwise business dickering for 10 to-day. They are not useful in the foreign trade but are useful in the coastwise trade, and they will be gradually disposed of.

Mr. FREAR. What will they do with those?

Mr. EDMONDS. If the ship is absolutely no good, there is no use in doing anything but scrapping it. I remember during the war the *Northern Pines* was sent to Europe. It was brought down to the Lakes and cut in half, enlarged, and rebuilt, and used in the European trade. The ship was so poor and the running expenses were so great that it was not considered worth while to bother with it any more, and it was, the last I heard, tied up in Danzig.

Mr. FREAR. That is part of the \$3,000,000,000 which the President mentioned in his address as lost to us.

Mr. EDMONDS. The loss is going to be enormous. Let me say something about that. The gentleman from Wisconsin spoke about the Gallinger-Hanna bill—if in 1906 they had passed a bill like this and they had spent \$50,000,000 a year in building up a merchant marine, you would not have lost two or three billions in 1917, when we went to war.

Mr. ROSE. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. ROSE. The gentleman from Wisconsin asked the gentleman a question about the revolving fund of \$125,000,000 for the purpose of constructing new ships. We have approximately 1,500 ships now lying at different docks. I thought it might be a good place to let the people know we are bound to lose a great deal of money because of the number of ships that under the law are at the docks now in the American merchant marine.

Mr. EDMONDS. And every day becoming worth less, because the ship is like an automobile—you put it in storage and when you bring it down you have to spend a great deal of money on it.

Mr. ROSE. I thought it well to let the people know that we are bound to face a great loss, whether this bill passes or not.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. FAIRFIELD. Would the gentleman be in a position to state what is the actual estimate of value of the fleet to-day at present prices?

Mr. EDMONDS. This is my own estimate, understand, from watching the sales of shipping. I have been watching the sales for the last year. I should say that the 7,500,000 tons of ships, including our fine passenger ships, of which you see representations displayed out here in the hall, are worth \$200,000,000.

Mr. FAIRFIELD. As against \$3,000,000,000 as the total cost in all?

Mr. EDMONDS. Yes. But what is the use in going back to make trouble? If I had wanted heretofore to make trouble in this House for the Shipping Boards of the past and their satellites, I could have done it, but I have always considered the fact that the shipping business was a business and not a political football. I have tried to be fair. The gentleman from Alabama knows that I have had information in my desk that I could have brought out at any time, but, considering the war troubles and everything else, I said to myself, "No; we are bound to make these losses." Every day rumors were going about while we were building the fleet, but I thought we should not go out and discourage the people by saying anything about



it. I have information that I think is good, although it may not be true, and Mr. Hurley knew I had it, and Mr. Payne knew I had it; but I did not divulge it, and we did the best we could to correct the condition. We found only the other day that a shipping firm had made a claim against the Shipping Board of \$8,000,000, but I understand they gave them a hotel in the neighborhood and settled with them for \$560,000, or something like that.

Mr. FAIRFIELD. Not to provoke acrimonious discussion, but I think it is fair for the people of the country to know that while we are not criticizing the building of these ships under the stress of circumstances we have actually a fleet now that is not worth anything near \$500,000,000.

Mr. EDMONDS. I have figured that perhaps we might get from \$350,000,000 to \$400,000,000 out of the wreck.

Mr. CHANDLER of New York. Mr. Chairman, will the gentleman yield at that point?

Mr. EDMONDS. Yes.

Mr. CHANDLER of New York. Is that by the sale of the ships?

Mr. EDMONDS. Oh, no. If you put them up at cash sale you could not get anything. You could not get a bid on them. When we put up the wooden ships one man bid a dollar for the lot. [Laughter.]

Mr. CHANDLER of New York. Suppose as a business matter that we can not operate these ships ourselves without a subsidy and can not sell them. It is an old maxim of Rothschild's that the first loss is the best. Is it not best to make the loss at first rather than at the end of a series of years? As a business proposition is not the first loss the best?

Mr. EDMONDS. Yes. I am very glad the President made the statement that he made, that you can be either obstructive, destructive, or constructive. You have to do one of those three things.

Mr. J. M. NELSON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. J. M. NELSON. When you make that estimate do you calculate the value of the ships now, before the subsidy is provided, or after the subsidy has started?

Mr. EDMONDS. I have not attempted to think of any figures after the subsidy has started.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. EDMONDS. Can the gentleman from Massachusetts give me another half hour?

Mr. GREENE of Massachusetts. Yes. I yield to the gentleman 30 minutes more.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 30 minutes more.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. WATSON. Probably within two or three years the Government will sell two or three hundred of the ships. It is officially stated that the 338 ships now under the control of the Government are operated at an expense of \$50,000,000 a year. Should these same ships be transferred to private ownership, it will cost the Government less than they now cost, when they are operated by the Government?

Mr. EDMONDS. It is admitted that the operation of 7,500,000 tons of ships will cost us about \$15,000,000 a year under the subsidy. We are operating to-day between 3,000,000 and 4,000,000 tons of ships at a loss of from \$40,000,000 to \$50,000,000 a year.

Mr. WATSON. Then we will save the difference between \$15,000,000 and \$50,000,000 from the operations of the ships as now?

Mr. EDMONDS. Yes; but wait. I do not want to deceive the House and I do not want to tell Members of the House anything that is not so.

Mr. WATSON. I followed the figures as stated by Mr. Lasker.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. In a moment. No; I am wrong. It will cost the present ships we are operating about \$15,000,000 a year in the way of subsidies, but if we put \$30,000,000 into subsidy we will be able to operate about 7,500,000 tons.

Mr. WATSON. How many ships would that represent?

Mr. EDMONDS. I should imagine about 750.

Mr. WATSON. Then we can operate about 750 at the same amount of loss that we are now making by Government operation?

Mr. EDMONDS. We would operate about twice as many ships under the subsidy act as we are operating to-day under the profit-and-loss plan.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. OLIVER. You have just stated that for the operation of the tonnage that we are now operating we would be required to pay under this bill about \$15,000,000 in subsidies. What amount do you estimate is the annual loss of the operation under the present tonnage, under the present system?

Mr. EDMONDS. As near as I can estimate, the total operating loss to-day—and I have no figures excepting those that have been given to you—is in the neighborhood of \$3,000,000 a month.

Mr. OLIVER. In other words, to operate the tonnage now built and which are being operated costs us annually \$36,000,000, and \$14,000,000, the difference between \$36,000,000 and \$50,000,000, represents alone the expense incident to the expense and upkeep of the ships that are laid up and not operated. I want you to segregate the cost.

Mr. EDMONDS. The gentleman from Tennessee [Mr. DAVIS] can best answer that.

Mr. DAVIS of Tennessee. I will say to the gentleman from Pennsylvania that the appropriation for the current fiscal year over average loss is \$5,497,000, and it has been running this year as a whole on about that basis. But the last month that it was reported there was no voyage loss at all. The balance of the \$50,000,000 appropriation is carried in administrative and other expenses.

Mr. EDMONDS. Of course, something has got to be charged to administrative expenses.

Mr. DAVIS of Tennessee. They have over 8,000 employees.

Mr. EDMONDS. Something has got to be charged to administrative and overhead expenses. The gentleman knows that as well as I do.

Mr. DAVIS of Tennessee. There is a great deal too much being spent there.

Mr. EDMONDS. That is possibly so. I think the President's statement that there is probably \$30,000,000 loss is probably a fair statement.

Mr. CHANDLER of New York. Will the gentleman yield?

Mr. EDMONDS. I yield to the gentleman from New York.

Mr. CHANDLER of New York. Will the gentleman venture an opinion on the question as to whether this subsidy would have to be perpetual? Would there come a time in the history of commerce and the development of this merchant marine when it would be self-sustaining?

Mr. EDMONDS. In the history of all nations giving a subsidy to start their shipping off it has gradually become reduced to an almost negligible point. The history of England in this matter was first virtually a subsidy. To-day it is a mail subvention.

Mr. CHANDLER of New York. We know that the British can build ships more cheaply than we can. They have cheaper labor and cheaper material, and we pay our seamen higher wages than they pay theirs. Is there any possibility that in the next 50 years there will be such a change in that situation that we can compete with Great Britain? Is not this a perpetual subsidy that we have got to put up?

Mr. EDMONDS. I do not think so. I think you will find that Japan, after 20 years of high subsidy, is reducing her subsidies, and is able to retain her ships on the sea while doing so.

Mr. CHANDLER of New York. Is there any chance of our running the other commercial nations off the sea with our merchant marine? If so, I favor it.

Mr. EDMONDS. Answering the gentleman, I will say that I would be very proud if none but American ships flying the American flag were on the sea.

Mr. COUGHLIN. Will the gentleman yield for a question?

Mr. EDMONDS. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. On page 7, in section 5, in providing for the construction of new ships, there is a provision that the Government may loan two-thirds of the cost of construction. On page 2 there is a provision for the sale of the ships now owned by the Government, and there the provision is that the payment to be made shall equal the depreciation per year. Why is that provision omitted on page 7, in section 5, while it is included on page 2?

Mr. EDMONDS. I will say to the gentleman frankly that I do not really know, excepting this, that there is the possibility that a man who was starting out a new line of ships might want two or three years in which he did not have to repay the loan, in order to get himself established. I think it is just as well to leave that to the discretion of the board as it is to put in some kind of a cast-iron provision for repayment on the mortgage. Certainly the men who go on the board are going

to be responsible enough to see that they are not going to get into any difficulty by handing over to anybody a sum of money equal to two-thirds of the value of a ship.

Mr. COUGHLIN. Then, why is it provided on page 2 that in the case of the sale of ships payment will be made annually equal to the amount of depreciation?

Mr. EDMONDS. Because you are selling an older ship. You are not building a new ship, but you are selling an older ship, and the depreciation is greater every year than in the case of a new ship.

Mr. COUGHLIN. Would not the same principle apply, that the depreciation might be so great that the security for the loan would be less at the end of 15 years in either case?

Mr. EDMONDS. I do not think so.

Mr. BURTNESS. Will the gentleman yield for a question?

Mr. EDMONDS. I yield to the gentleman from North Dakota.

Mr. BURTNESS. I wish to ask in regard to the difference in the rate of interest charged on the ships that are sold and on the money loaned for the building of new ships, why is it 4 per cent in one case and 2 per cent in the other case? This thought occurred to me. We are very much interested in getting rid of the present ships that we have, and if we are to make it easy on anything, it ought to be on the sale of the ships that we own and that we want to get rid of. Why should not the rate of interest on the fund for the building of new ships be at least as high as it is upon the amount that is carried on the sale of the old ships?

Mr. EDMONDS. It was our judgment that this was the right way, and as I said before, if you want to change it, you can.

Mr. BURTNESS. What, in the gentleman's judgment, was the reason for that difference?

Mr. EDMONDS. I have tried to explain it in this way, that when we sell a man one of these ships that we have to-day, and he puts it into operation immediately, he probably has no overhead charge against it excepting his line charge. He can afford to pay 4 per cent; but when a man has to build a new ship, to make a new venture, and to invest perhaps \$30,000,000 or \$40,000,000 of his own money in building ships, he has got to have some little time to gather himself together, if he is going to compete with foreign ships. If a man's overhead is less, of course he is in a better position to compete.

Mr. BURTNESS. He must pay one-third of the cost in either case.

Mr. SNELL. Will the gentleman yield?

Mr. EDMONDS. I yield to the gentleman from New York.

Mr. SNELL. If a man bought a ship in operation, he would get a lot of business that went with the ship at the present time, would he not?

Mr. EDMONDS. Probably so. He might buy an established line.

Mr. SNELL. He would get the business going with the sale, the same as in any other established business.

Mr. EDMONDS. Yes.

Mr. SNELL. And he would have that advantage over a man who started a new enterprise.

Mr. EDMONDS. Yes.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. EDMONDS. I yield to the gentleman from Illinois.

Mr. GRAHAM of Illinois. I am afraid the gentleman is not going to reach it within his limited time, and that is why I am asking the question. I noticed some tables in the hearings giving the aggregate paid in the way of subventions to the other maritime nations in 1909.

Mr. EDMONDS. I saw that table.

Mr. GRAHAM of Illinois. I notice that it is about \$46,000,000. I can not find anything anywhere in the hearing to show what the subsidies of the other maritime nations were last year.

Mr. EDMONDS. We are trying to get that. It is almost impossible to get it. I will say this, that the Italian subsidy is greater now than it was in 1909.

The French subsidies were more than \$15,000,000. We could not get at the aggregate English subsidy because there are so many different subventions, as you call them. They have a general payment to the Cunard Line, and the Cunard Line gets something from somewhere else. The White Star Line runs to Montreal, and they get a subsidy or subvention from Canada. Canada has subventions as well as England. The Australian lines are running at a loss, and that is nothing but a subvention.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. GRAHAM of Illinois. Does the gentleman have any idea that before we get to the amending stage we will have that information?

Mr. J. M. NELSON. If the gentleman will permit me, a member of the Shipping Board states and you will find it in a clipping in the reference library which says that before the war the amount was \$35,000,000.

Mr. GRAHAM of Illinois. When, before the war?

Mr. J. M. NELSON. In 1912; and that is of all the ships of all the subsidies of the world.

Mr. GRAHAM of Illinois. If the other maritime nations pay \$45,000,000 annually in subventions, why does it seem to be necessary for us to pay in one year, we will say, to run our ships approximately that same amount? Why should we fix a rate that will aggregate all the other subsidies of the world?

Mr. EDMONDS. Because the shipping of this country has been cursed by legislation, bothered by the senior Senator from Wisconsin and also by navigation laws made up by patchwork in Congress.

Mr. GRAHAM of Illinois. Is that going to cost us \$40,000,000 a year?

Mr. EDMONDS. It will cost us \$600 or \$800 a month on every ship, if not \$1,000.

Mr. FAIRCHILD. Will the gentleman yield?

Mr. EDMONDS. Yes. I will yield to the gentleman and then I must decline to yield further.

Mr. FAIRCHILD. In reference to navigation laws, can the gentleman inform the House as to what, if anything, has been done toward extending the coastwise laws to include the Philippine Islands?

Mr. EDMONDS. No; I can not. The gentleman knows as much as I do about it. He probably has seen in the newspapers that the President is going to extend the coastwise laws, but I do not think he has done it yet.

Mr. FAIRCHILD. The question I want to ask is this: If the coastwise laws are extended or if the Shipping Board, in conformity with section 21 of the act of 1920, should provide shipping for the Philippine Islands, how much tonnage of the seven and a half millions can be used in that trade?

Mr. EDMONDS. The gentleman means in the Philippine Islands? That would be impossible to answer. Some years they have good crops and a good market, and some years it fails.

Mr. FAIRCHILD. Has the committee investigated that question as to what tonnage would be used in the Philippine trade if section 21 of the act of 1920 was in force?

Mr. EDMONDS. The probability is we would not have to use any more ships. The Philippines have their vessels.

Mr. FAIRCHILD. Why should not the proclamation be made? Why should not section 21 of the act of 1920 be put in force?

Mr. EDMONDS. Do not ask me; I do not know why it is not.

Mr. FAIRCHILD. I am asking the gentleman about the proclamation in compliance with the act.

Mr. EDMONDS. The President has not put it into effect. Now, gentlemen, section 20, in a few words, is the same as the section in the merchant marine act of 1920 put into workable shape.

The act of 1920 provided that a certain amount of the income tax could be set aside, providing it was used to build ships. The Treasury Department could not interpret the act, and they came and asked us to put the sections in here, if we could arrange it, carrying out what we had already agreed upon in the merchant marine act of 1920. But there has been added something to this which the gentleman from Wisconsin [Mr. J. M. NELSON] spoke about. We agreed to give the shipper 5 per cent deduction in the income tax on the freight of any shipment that he makes directly himself.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. EDMONDS. No; I can not yield at the present time. I have been very liberal yielding and I have only a short time remaining.

Mr. J. M. NELSON. I recognize that the gentleman has been very liberal.

Mr. EDMONDS. I want to call attention to the fact that this payment of the 5 per cent is made to the shipper. If a farmer is the shipper, he gets it. If a broker comes in, he can not get it. It is intended to place this deduction in the hands of the shipper, and it is put in to take the place of the discriminatory duty that we tried to put through in section 34 in the Jones Act. Now, I am trying to tell you the truth about this bill. I am not trying to camouflage anything. I am telling you what is here and you are to have your opportunity to vote or correct it. We thought in committee it was the right way to do it, and we are putting it up to you.



Title 3, sections 301, 302, 303, and 304, arranges that 50 per cent of the immigration to this country must come in American ships. Why? Because Italy says no man shall leave Italy unless he sails in an Italian ship, and Spain says that no man shall leave Spain unless he sails in a Spanish ship. Are you going to let them put it over on you? Are you not going to see that you protect yourselves? Immigration sometimes is the profit of the ship. We are asking all these nations to let us carry 50 per cent of the immigration to this country.

Mr. RAKER. Will the gentleman yield?

Mr. EDMONDS. I yield because the gentleman is on the committee.

Mr. RAKER. The idea was in the committee that this provision violated about 32 treaties.

Mr. EDMONDS. I think that is right.

Mr. RAKER. It violates 32 treaties of foreign countries. Will the gentleman tell the House, that being true, why you did not put in that all the personal property that comes to this country should come in American ships instead of referring it only to the immigration question?

Mr. EDMONDS. Because there is no reason to do that. We do not need to retaliate because of freight, for they do not require that half or all of their freight shall be carried in Italian or Spanish ships, while they do require that all of the immigrants shall be.

Mr. RAKER. Does not the proposition work out like this—while this is not a retaliation against Italy or Spain, yet it is an entering wedge for the great ships to make a national issue and to bring more immigrants to this country, and therefore break down the immigration laws that we have at the present time?

Mr. EDMONDS. The gentleman may see it in that way. I can not see it in that way, although I have not studied the immigration question.

Mr. JOHNSON of Washington. The Congress of the United States still reserves to itself the right to restrict immigration as it sees best?

Mr. EDMONDS. Yes.

Mr. RAKER. Is it not a fact that this bill when it becomes operative takes from the control of Congress the question of legislation on immigration, and puts it all in the hands of the President for the purpose of determining that question with these 32 nations, and all the rest of them, by virtue of treaties?

Mr. JOHNSON of Washington. I think not.

Mr. RAKER. There is no doubt on earth when you read the provision and look into it that that is the purpose of this legislation.

Mr. JOHNSON of Washington. I shall try to explain that later, without now taking up any more of the time of the gentleman from Pennsylvania.

Mr. KNUTSON. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. EDMONDS. I can not yield at this time. I am coming now to the question of compensation and the limit placed upon it. I wrote this limitation, and therefore I know what is intended by it. If, according to the statement of the gentleman from Wisconsin [Mr. J. M. NELSON], these ships will, according to the Secretary of the Interior or some one else in Great Britain, whatever his office is, earn 12½ per cent, I say, thank God for it, because we will get back 50 per cent of everything that they earn over 10 per cent.

Mr. J. M. NELSON. Have you provided that they shall not increase their salaries so high so that you will never get any of that money?

Mr. EDMONDS. Oh, yes; that is well taken care of, notwithstanding the statements in the newspapers and from other sources. We have so arranged it that they will have to take into consideration the profits and the capital and the wages and the salaries that are paid, and that will be done through the Internal Revenue Bureau and certified by the Shipping Board.

I want to return now for a minute to the 5 per cent tax deduction. I want you to notice in that section that wherever a man owns his own ships and carries his own products—and this is another statement that has been made in the newspapers quite generally—he can not get a deduction in his taxation. If the Standard Oil Co. carries its oil, it can not get a deduction. If the United States Steel Corporation carries its steel products, it can not get a deduction. That is very carefully guarded in that section. Wherever a man carries his own products he can not get a 5 per cent deduction. That takes in the large corporations.

Mr. BANKHEAD rose.

Mr. LINTHICUM. Mr. Chairman, would he get a subsidy if he carried his own products?

Mr. BANKHEAD. That is the question that I was about to ask.

Mr. EDMONDS. I will answer it, and nobody knows it better than does the gentleman from Alabama [Mr. BANKHEAD]. Yes; he will. We are taking this measure up, not only because of the merchant marine, but we are taking it up as a war measure. The very vessels that you want under your flag in time of war are these oil tankers, and you can not let them be distributed out under the flags of other nations, so that you can not control them in time of war and leave your ships and yourselves entirely helpless.

Mr. YOUNG. Has the gentleman made any estimate of the amount of these deductions from income tax, in so far as the total is concerned?

Mr. EDMONDS. I believe it is figured at about \$7,000,000, but I would not want to say.

Mr. YOUNG. Who made that estimate?

Mr. EDMONDS. I believe that was given to us by the Shipping Board, or stated by them.

Mr. YOUNG. There is nothing from the Treasury Department?

Mr. EDMONDS. I would not be surprised if they got the figures from the Treasury Department. I have no doubt that they have some basis for their estimates. The compensation feature of this bill stands in this way. You pay all of these people a subsidy. They have to be men of ability. Of course, you are not going to pick out Tom Jones and Bill Brown away out here in Arizona, where there are no ships, and pay them a subsidy, but you are going to pick up men with at least some capital and some ability. When a man earns 10 per cent, limited as carefully as this is—and we spent days over that section putting it into the law so that there would be no question raised in the future and no chance of any manipulation by the board—when a man earns 10 per cent in accordance with the rules and regulations of the income tax bureau of the internal revenue department, of anything over that he returns one-half until he returns the subsidy. If you are going to pay a subsidy, it is the absolutely fair way to do it.

Mr. MILLS. Mr. Chairman, will the gentleman yield before he comes to that topic?

Mr. EDMONDS. Yes.

Mr. MILLS. The gentleman from Wisconsin [Mr. J. M. NELSON] stated on the floor of the House this morning that the Government guaranteed a profit or return of 12½ per cent, and would pay a sufficient subsidy to guarantee a return of 12½ per cent. Does the gentleman from Pennsylvania believe that that is a statement which will be sustained by the fact?

Mr. EDMONDS. I do not think the gentleman from Wisconsin meant to say that.

Mr. J. M. NELSON. No.

Mr. EDMONDS. I think the gentleman from Wisconsin intended to say this: That there would be an earning from this bill of 12½ per cent on the value of the ships, without considering depreciation or overhead, or anything like that. That is possibly true.

Mr. J. M. NELSON. Here is the language—

Mr. EDMONDS. That is possibly true. But I would be only too glad if his statement were correct. If all of our ships would earn 12½ per cent we would at least know that we were going to get some of these subsidies back, and it would not be very long before they would be earning 15 or 20 per cent and giving it all back to us.

Now, the question I want to bring up—

Mr. LINTHICUM. Will the gentleman yield for a short question?

Mr. EDMONDS. I am sorry, but I can not. It is to the doubling of the amount of the compensation where it is found necessary by the Shipping Board, of course, always within the limit of their appropriation of money. They can not go to work and spend more than they get. There are lines to-day that need a certain amount of aid more than that proposed in the bill. Now, the British Board of Trade, if they were handling the subject, would have no difficulty with reference to it at all. As a matter of fact, the British Board of Trade has authority to suspend the navigation laws when they do not like them in reference to British ships. They have such complete authority and such an elastic authority they can almost do anything, notwithstanding their acts of Parliament.

Mr. J. M. NELSON. Will the gentleman allow me to correct that statement?

Mr. EDMONDS. I can not; I have not the time. I want to say that I do not find so much fault in giving a board in a commercial business of this kind a little elasticity. I think if you gentlemen drop politics and talk business you would say so, too. Now, in this section we describe what is foreign trade.

We go very thoroughly into that. I am trying to call to the attention of the gentleman from Wisconsin, the gentleman from Michigan, and gentlemen from the great West that even here in this bill this committee is recognizing the fact that possibly you will have a St. Lawrence canal, and the day after this bill is passed that a boat can leave Duluth, Chicago, or Cleveland, go down through the present canals and deliver a cargo at Liverpool, and get a subsidy for the entire voyage; can take up a cargo on that side and deliver it and get a subsidy for the entire voyage.

Of course, we do not subsidize boats on the Lakes; it would be foolish to do it. They are protected now. But any ship on the Lakes that wants to go into the foreign trade can to-day, if it can pass through the canals, go into the foreign trade and get exactly the same treatment as a ship from New York or a ship from Philadelphia or a ship from Charleston. The committee realized that possibly it might be hard to pass a bill of this kind at a later day, and possibly there might be some enlargement of the canals that would allow larger ocean steamers to go into the different ports on the Lakes, and they have arranged that they shall have exactly the same treatment up in the Great Lakes districts as the port of New York or any other port.

Mr. LINTHICUM. Will the gentleman yield for a short question?

Mr. EDMONDS. Yes.

Mr. LINTHICUM. The gentleman spoke of the indirect benefits that is aside from the subsidy. What does the gentleman estimate they will amount to, or has there been any estimate?

Mr. EDMONDS. I do not know how to estimate, there are so many different items.

Mr. LINTHICUM. Mr. Lasker said the indirect benefits would amount to more than the direct benefit from the subsidy.

Mr. EDMONDS. I think Mr. Lasker's statement was intended this way: That one of the benefits of the indirect aids would be that you would not have to pass such a large subsidy. You can not measure the indirect aid in dollars and cents. It will render the payment of a subsidy, probably the stoppage of the payment of a subsidy, not so far in the future.

Mr. CHANDLER of New York. Will the gentleman yield for a short question on the point of the indirect benefits?

Mr. EDMONDS. I will.

Mr. CHANDLER of New York. Has the gentleman any data on this point; that certain of our commercial rivals at the time when they had control of the carrying trade have refused to carry our products? Is it not possible that in a case such as that one of the indirect benefits is to secure us against a possible rejection of the carrying of our trade by competing nations?

Mr. EDMONDS. I will call attention to something that happened in July—I have a number of instances here, but I will not take the time to cite them—in July we found we were short of coal and a great many manufacturing establishments along the Atlantic and Gulf coasts wanted to buy coal, not so much the Gulf because they have nonunion mines, and they do not have so much trouble as our people in the North, and we have had a great deal of trouble. We started to bring coal from England. I remember I was sitting in my office one day and a friend of mine called upon me to place a couple of cargoes of English coal. I called up a friend of mine with reference to the coal and got a price, and the next morning the man I offered the coal to called me up, and he said there had been an advance in English coal of 75 cents, some shillings, I do not remember exactly. He said he would have to put that on the—

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. I yield the gentleman 30 additional minutes.

Mr. EDMONDS. I shall have to refuse to answer any more questions. I called him up and said the coal was sold because I could not get the additional price. What happened? The Shipping Board immediately turned loose 20 or 30 ships here and there abroad, and the price returned to normal within two weeks. That is the benefit of a merchant marine.

Now, as regards the increase in compensation. It requires a vote of five members for an increase or decrease of compensation. It requires a vote of five members of the board to do it.

Mr. KELLY of Pennsylvania. Will the gentleman yield for a short question?

Mr. EDMONDS. I will.

Mr. KELLY of Pennsylvania. The gentleman made a statement justifying the increase and diminishing of the individual compensation. What is the justification for the section provid-

ing that there shall be no review of the amount paid by the General Accounting Office?

Mr. EDMONDS. I will talk of that when I come to the section further on.

Mr. GRAHAM of Illinois. Well, will the gentleman, before he leaves that illustration, allow me to ask him this question? Suppose these ships had been in the hands of private individuals and not in the hands of the Government. Do you suppose that they would have been turned loose the same way, and that it would have had the same effect?

Mr. EDMONDS. Oh, yes. That is a very simple question, and it can be very simply answered. If I had 30 or 40 ships tied up and had an opportunity to make money with them I would do so.

Mr. GRAHAM of Illinois. Yes; you could make money, but if you knew that the moment you turned them out on the seas the other fellow would lower his rates, would you turn them out?

Mr. EDMONDS. Oh, no. The Shipping Board only turned them out when they secured the charters.

Mr. GRAHAM of Illinois. I was wondering if the same result would have happened if they had been owned by private persons.

Mr. EDMONDS. Oh, no. Ordinary business is pursued in the shipping business in just the same manner as in other business, but not in time of war.

Now, in section 412 we make an arrangement by which these ships that are subsidized are all at the beck and call of the Government in case of a national emergency. The Government gets the vessel at a fair actual price, the price prevailing at the time of the taking, but in no event shall the fair actual price be enhanced by the causes necessitating the taking. Let us see what that means. It means if I have a ship—I may have bought it for \$300,000, and it may be worth \$600,000, but the war comes on and it may then be worth \$1,000,000. I can not ask a million dollars for it, but I have to turn that over to the Government when the time comes at a fair actual price, and arrangements are made to arbitrate in case a dispute should arise.

Section 413 requires that all repairs to these subsidized vessels shall be made in this country as far as possible.

Section 416 carries the rules for compensation when the ship makes over 10 per cent profit. Title V makes provision respecting Army and Navy transports by substituting merchant ships in place of transports owned by the Army or Navy. Title VI has to do with provisions relating to rail and water transportation. Provision is made for taking up such matters as those on which there are or might be conflicting jurisdiction. It seemed that the Interstate Commerce Commission did not know how to work with the Shipping Board when joint rates were to be made, and the Shipping Board did not know how to work with the Interstate Commerce Commission. Bills of lading and all questions likely to arise over joint shipment rates are provided for. It ought to provide a good medium for uniting the work of the Shipping Board and the Interstate Commerce Commission.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. HICKS. There has been some statement made in regard to the transport service of the Army and Navy, that it should be carried on by the Shipping Board and the Shipping Board vessels used. Is it contemplated that the vessels owned by the Army or Navy shall be taken over and operated by the Shipping Board?

Mr. EDMONDS. No. It is contemplated here that the service, wherever possible, shall be done by the Shipping Board, by ships under private contract, instead of by ships operated by the Army and Navy.

Mr. HICKS. All transports, then, will remain in the Army and Navy?

Mr. EDMONDS. I do not know what they will do with them if they have no work for them.

Mr. HICKS. If they have no work for them, they will transfer them to the Shipping Board.

Mr. EDMONDS. Here is the difference—the difference between carrying the Army on a transport to the Philippines and carrying it on a private-owned ship. If we are going to give these people money to see that they get a fair return on their investment and give us money back again, we ought to concentrate this service, as has been done by Great Britain and other governments. All the South African transport was done by a South African line. They carried their officers down there and did it by contract. When the Boer War came on they had a contract for the use of the vessels. But the use of contract



service for the building up of a merchant marine is common among nations. Japan carries her officers on freight ships. She has a carrying contract. She does not attempt to run transports.

Mr. HICKS. I suppose the gentleman would say that it is good national policy to ship in a Government vessel all the things that we have to ship to the Philippines?

Mr. EDMONDS. It has to be shipped in an American vessel under this bill.

Mr. HICKS. By one of the vessels under the control of the American Government?

Mr. EDMONDS. If the Government sells all the vessels, of course not, but we have the power to take them over in case of war.

Mr. HICKS. We are shipping now by means of vessels not under the American flag?

Mr. EDMONDS. Yes; but we are trying to stop that.

Mr. HICKS. The gentleman disapproves of that?

Mr. EDMONDS. Oh, yes. I do not approve of that at all.

Section 607, which is the most important section, is written in order to make section 28 of the merchant marine act workable, it having been claimed by the department that they were unable to put it in operation. So we clarify that situation. Section 28, as you will remember, is the preferential rail rate section. You see, we have what is known on our railroads as an export rate on goods for export. That applies to both American and foreign ships. A foreign ship can get just as good an export rate from a railroad as an American ship can. Section 28 prevented the foreign ship from getting that preferential rate and made them pay the regular rate, and only allowed a preferential rate to be applied to American ships. Now the Interstate Commerce Commission and the Shipping Board could not get the thing to working, so we tried to have it put in workable shape, and we hope they will not ask any more questions, but that this will be put into operation and give our ships at least that preference.

Let me now refer to section 703. Our friends on the other side called attention to the fact that we had forgotten, as they said, to make an accounting section in the bill. We had thought that the original Shipping Board act of 1916 carried in it all the accounting sections that were necessary, but we found that, unfortunately, it said "in this bill." It did not even say "or amendments thereto," so we thought that we would have to put in a new accounting section. Because it had been said all over the country from the Atlantic to the Pacific that we were going to try to loot the Treasury, without requiring any accounting whatever of the Shipping Board, and thought we would put it plainly, so that the people would know that we were not going to loot the Treasury and that we would give them an accounting.

Mr. BLANTON. On that one feature of accounting will the gentleman permit a question?

Mr. EDMONDS. Yes.

Mr. BLANTON. The gentleman will remember the speech made by the very distinguished former chairman of the Committee on Appropriations, Mr. Good, on the floor here, wherein he stated that because it was impossible to get a true and correct accounting of the business of the Shipping Board and the Emergency Fleet Corporation he, as chairman of that committee, was going to see that they should not get a single other dollar of appropriation from this Government.

Mr. EDMONDS. Oh, yes; and if Mr. Good were here now he would change his mind.

Mr. BLANTON. The gentleman remembers that speech?

Mr. EDMONDS. Yes; very well. He talked to me about it before he made it.

Mr. BLANTON. Is that policy to be wiped away?

Mr. EDMONDS. If the Members of this Congress desire it, the Shipping Board will turn in a monthly report of their operations. The Shipping Board to-day is being run on a businesslike basis, which it never was before.

Mr. BLANTON. With a loss of \$50,000,000 a year?

Mr. EDMONDS. Have you ever figured how much money was made on these ships during the war, when one voyage would almost pay for a ship? Have you ever received any accounting from the Shipping Board of what became of all that money? You know we appropriated three billion and some odd dollars. What became of the profits? All gone; all wiped out. No accounting made for all that. There never was a report made by the Shipping Board that the Comptroller did not say he would not guarantee it and did not believe it himself. When we had the report before our committee in 1918 or 1919, we asked him the question, "Is this report you are going to make correct?" He said, "No; and it never can be."

Did you ever think of the possibilities, that you perhaps made a billion dollars off these ships in freights, notwithstanding the way they were handled; that you made a billion dollars and that there has never been an accounting made of it? And your loss may possibly be \$5,000,000,000 or \$6,000,000,000 instead of \$3,000,000,000?

Mr. BLANTON. Is that an excuse for the continuance of such unbusinesslike operations?

Mr. EDMONDS. No; and I am saying to you that now you can get a monthly report of the operations of the Shipping Board if desired. I heard some gentleman talking about the losses of the Shipping Board. Nobody knows the amount. You will never get an account of what the old Shipping Boards did. Last July the new Shipping Board just opened a new set of books, and to-day they will give you a monthly report. I have no brief to speak for the Shipping Board and I am not going to, but I am going to say this, that they have put the operations of the Shipping Board in businesslike shape at last.

Mr. OLIVER. Will the gentleman yield?

Mr. EDMONDS. I yield to the gentleman from Alabama.

Mr. OLIVER. I think the gentleman certainly by inquiring over the phone could find out and put into the Record a statement of what is the loss from operation at the present time.

Mr. EDMONDS. I will try and get it. I am not sure of it.

Mr. BLANTON. The gentleman has been very courteous in permitting questions. He spoke of the elasticity that he wanted to remain in the bill. It has been suggested that the gentleman should have made it Laskerticity.

Mr. EDMONDS. Perhaps if it were not for the lascars on the British steamers we would not have so much trouble about the difference in wages between British ships and American ships, so you can take it as you please.

When we come to section 704 of the bill I am going to move to strike it out. I want to say in regard to this section that the reason it was put in was because it appears that the business rivalry in the intercoastal trade between the Atlantic and the Pacific got so strong that a number of the companies were approaching financial distress. The unfortunate part of it is that the amendment is so written that it not only protects that trade, but does protect some other trades that do not need the protection. We have had a request from the Pacific coast for hearings on this subject, and so I think it would be as well to take this section out of the bill and have hearings and see just exactly what is wanted. This section was sent up to me by the Shipping Board with an argument in regard to the necessity for protecting these people, and we put it in the bill last Monday. Mr. DAVIS or Mr. BANKHEAD thought we ought to have some hearings on it, and I think that is true, so I think we will take it out of the bill and have a hearing and see what is necessary to protect these people from loss. The competition is making this loss. There is no question about that, but the question of allowing the business to be monopolized by one or two concerns is a very serious one.

Section 705 describes the home port. Ever since we have had shipping we have had all kinds of trouble about this question of home ports. The navigation law says that the home port is the place where a man principally resides. The result was that if a man in Denver bought a ship, that was his home port. If a man in Arizona bought a ship, that was his home port. Anywhere that he happened to want to call his home port, that place would be his home port under the law. Now the home port is the place where all the documents are kept and where they lie against the ship. If a man has a mortgage on his ship, he registers it at his home port. If he has any other trouble, like libels or anything of that sort against the ship, they are sent to the home port. If there are any other documents or securities issued against the ship, they are registered at the home port. So we thought we had better designate exactly what is meant by the home port, and we did so. Section 42 requires approval of the board to transfer any vessel from under the documentation of the laws of the United States to any other documentation, and the board's approval is required. We simply want the Shipping Board to retain the authority to give approval to the change from one flag to another. I think we all agree that that is a good section and there is no necessity for talking about it.

Mr. SNELL. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. SNELL. It has been reported that the large shipping interests are against the bill because it does not give a large enough subsidy to warrant the maintenance of a merchant marine. What does the gentleman say in regard to that?

Mr. EDMONDS. I want to say that during the drafting of this bill there were very few suggestions coming from the



large shipping interests. I do not know why. In December there were quite a few men came down and testified in the hearings, but they seem to have disappeared about that time and did not seem to care much about it. I am very frank in saying that I believe that most of the shipping men want this bill, although the interest they have displayed has been very slight. They have not attempted in any way to guide the committee in its conclusions.

Mr. SNELL. Does the gentleman think that this slight interest on their part was on account of the fact that the subsidy was not large enough so that it would warrant the maintenance of a merchant marine?

Mr. EDMONDS. That has been stated. I want to say that I heard that they thought the subsidy was not large enough. As a matter of fact several men in the shipping business have said that the subsidy ought to be larger.

Mr. SNELL. I suppose from the information the committee and the Shipping Board has they think that the subsidy allowed in this bill is enough to make up the difference in cost of operating under the American flag?

Mr. EDMONDS. We are satisfied that it will make up the difference in cost.

Mr. SNELL. And that it will guarantee a sufficient merchant marine under our flag?

Mr. EDMONDS. I would be willing to take the bill as it stands and say that it will guarantee a sufficient merchant marine.

Mr. KELLY of Pennsylvania. With the permission of the gentleman I want to say that there is one item in the bill that the gentleman has forgotten and to which I call his attention. That is section 418, the General Accounting Office.

Mr. EDMONDS. I did forget that. I have not looked at my references, but I presume the proposition is this. The General Accounting Office has always controlled the authority to approve or disapprove appropriations and the use of the money. But there are so many provisions in connection with the payment of a subsidy, so many different technical terms in the handling of the subject, that if it was left to the General Accounting Office there probably would not be sufficient and proper knowledge for the paying of it out.

Mr. FESS. I have heard it said that the bill was not very acceptable to the shipowners or to the men who were likely to be engaged in operating a merchant marine. Suppose we can not sell the ships, suppose the bill is not sufficiently inviting so that we could dispose of the vessels, is there any alternative?

Mr. EDMONDS. The gentleman means if we do not sell the ships?

Mr. FESS. Yes; do we have to sell the ships at any price, under this bill?

Mr. EDMONDS. No. Answering the question in regard to the shipowner I should like to say this: There are a number of large established shipowners in this country, possibly 10. The interest they have betrayed in the legislation is not so great. They like it, they will speak for it, but they are not running around about it, and the reason for that is that in this bill we provide for competitors of theirs. In other words, you and I, if we had the proper ability, knowledge, and capital, could start a line and buy ships and get the subsidy. In other words, all subsidies in the past have been made to individuals, to individual corporations, naming the party in the act. In this everybody can get a subsidy, provided he has the knowledge and the capital.

Mr. FESS. Then this fear expressed by some Members that the bill will not give us the means of disposing of the ships except at an unnecessary loss is not well founded?

Mr. EDMONDS. I do not think it is.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. FAIRFIELD. Until such time as we have disposed of the ships we will have to bear the loss incident to their being tied up?

Mr. EDMONDS. Yes.

Mr. FAIRFIELD. So we may be in a position where we will have, say, 3,000,000 or 4,000,000 tons sold, and plus the loss due to maintenance of the ships still left on our hands. Has there been any estimate in regard to that?

Mr. EDMONDS. I have said, and my opinion is, that three or four hundred—and perhaps five hundred—ships would be sold in two years. There are thirteen hundred and some odd ships. There will be possibly 500 sold in two years. But in selling these ships there is a certain amount of impetus given to business. We may use the small ships we have here, which are the most annoying. They have the right to sell the lake type abroad if we can not sell in this country. Mr. Lasker says he hopes to clean it up in four or five years. You have the right

to sell the lake type abroad and the right to use them in the coastwise trade, and some of them might be used in the rivers of China. A man was over here a short time ago talking about buying some of the ships to use in China.

Mr. FAIRFIELD. If that should happen, that would be covered into the Treasury and no additional appropriation would be made for launching.

Mr. EDMONDS. That is correct; but do not forget that the \$125,000,000 fund which the gentleman is talking about comes out of the sale of ships. That is the only place it can come out of, unless there may be some other property.

Mr. FAIRFIELD. Does the gentleman think that the sale of ships will be rapid enough so that it will take care of the money to be loaned, plus the cost of maintenance of those vessels still in the hands of the Government?

Mr. EDMONDS. Oh, yes. Our maintenance in taking care of the ships to-day tied up is not large. When I say that, I mean relatively, because handling a ship is a little different from handling a small car or something like that. Relatively there has never been a group of ships handled as cheaply as these ships are being handled to-day.

Mr. GREEN of Iowa. How many of the lake type of ships do we have?

Mr. EDMONDS. I will give the gentleman that figure a little later. I have it, but I can not put my hands on it now.

Mr. SNELL. How small an initial payment does the gentleman understand they are willing to accept and sell a ship for—10 per cent of its value, or any certain sum?

Mr. EDMONDS. No. That has been done, but the Shipping Board's attitude to-day is this: They consider that the price of the ship is so low that a man has no right to ask for much credit. They have sold this lake type of boat running from 2,800 to 3,500 tons for \$76,000 each.

Mr. SNELL. I have in mind the other and better type of boat for ocean trade.

Mr. EDMONDS. I imagine they would want about one-third down.

Mr. SNELL. And there will be nothing else given with them except the initial payment to guarantee this operation. If a man bought a boat and paid one-third, and at the end of the year found that he was not successful in its operation, he could turn that back to the Government?

Mr. EDMONDS. Yes; but he would have to take his loss.

Mr. SNELL. He would lose simply his initial payment?

Mr. EDMONDS. Yes. They would foreclose the mortgage and take the ship, just as is done with any other property.

The Assistant Secretary of Agriculture under President Wilson, Carl Vrooman, in an address before the Southern Commercial Congress in Chicago on Tuesday evening of this week, said:

America's most pressing need is to get rid of her surpluses. Our surpluses can and should be dumped abroad at once.

The late David Lubin said in 1914:

The few holders of advance information regarding freight rates are not alone enabled to operate in one market center, but such information will enable them to manipulate, directly or indirectly, the principal market centers of the world, whether in exporting or non-exporting countries, and to continue this kind of a loaded-dice game the year around, all at the expense of the producers and the consumers everywhere.

Again, Carl Vrooman, in 1916, when the war in Europe produced a shortage of shipping, in an article published as a Senate document, stated, speaking of the original bill creating the Shipping Board:

It would pay the farmers of America, and pay them big, to chip in and build a merchant marine for themselves. Our farmers could readily afford to spend not merely the \$500,000,000 called for by the pending shipping bill but \$100,000,000, or even \$200,000,000, in such an enterprise.

These gentlemen both recognized the value of shipping control in the world's competition for the control of the world's markets. Experience has proven if you do not control the final carriage of your products, you must perforce pay tribute to your commercial enemies.

Looking backward, how easy it is to perceive that if some act had been placed upon the statute books after the shipping investigation of 1906 that would have upbuilt our merchant marine, even if only to the extent of carrying 50 per cent of our imports and exports, and had it cost us \$50,000,000 per year, at the outbreak of our war with Germany we would have expended \$500,000,000, but, having the facilities in hand, we would have been able not only to save the taxpayers between two and three billions of dollars, but we would have been delivering all through the period between 1914 and 1917 our surpluses to countries needing them, greatly to our own profit, and giving the distressed countries of Europe much relief. No man within the hearing of my voice but will remember the terrific loss to



the farmer occasioned by the throwing of the surplus crops upon the market. Cotton was driven from a reasonable price to below the cost of production, and all other commodities followed the same course. The freight on American shipments rose rapidly to rates far in advance of the rates paid by our competitors who owned or controlled their own shipping, and it was only by governmental action that ruin was averted.

To-day when we have 600 or 700 fine cargo ships fairly up to date and of first classification and several hundred ships not as good or economical, but still equal to many ships to-day in service under foreign flags and good for service in certain trades, it should not be difficult for Congress to determine what would be the best plan for their utilization. We have but three ways to consider.

First. The proposed bill which looks to the disposal of the fleet to private parties, and plans by a comprehensive method to aid, by both direct and indirect methods, in equalizing the differences in costs until such a time as they can sustain themselves without the direct aid.

Second. Continued Government ownership and operation, which, after the experience of the past few years, surely can result only in its gradual elimination.

Third. Destruction of the ships or disposal of them wherever a purchaser may be found.

Whether it is called a subsidy or compensation, the practice of governmental aid to merchant shipping is, and long has been, the established practice of all the maritime nations of the world. This may take the form of postal pay and naval retainers to certain regular lines, as in the case of Great Britain, by whose Government the subsidy policy as now known was initiated almost a hundred years ago. It may be postal subsidy and naval retainer to regular lines and mileage subsidy to all shipping, with direct bounties for shipbuilding, as in the case of France, Italy, and other countries, including at one time Japan.

Nations subsidize their maritime industries according to their needs or resources precisely as nations, with now not one important exception, to some degree or another shape their customs tariffs so that they will not only yield revenue but favor their native manufactures or their native agriculturists. The motive of maritime subsidy is exactly the motive of the protective tariff, to give national preference for national prudential purposes to national interests against their competitors of other lands.

Every commercial people with seacoasts and ports and sea-borne trade recognizes as by a strong instinct of self-preservation that it must not depend for the delivery of its exports and the bringing of its imports solely upon the ships and seamen of other governments, its rivals in trade and possible enemies in war. Every people with a foothold upon the ocean recognizes that its merchant marine, by which is meant not only the ships themselves but their officers and men, the yards which launched the ships, the mechanics who put them together, and the separate manufacturing plants and men that produced the equipment of the ships, constitutes altogether a peculiarly important key industry for either peace or war.

The very first law of the first Federal Congress of the United States, passed on July 4, 1789, a law one of whose purposes was explicitly stated to be "the encouragement and protection of manufactures," also encouraged and protected navigation and shipbuilding by a provision allowing a preferential rate of 10 per cent of the customs duties of this same law on all goods imported into this country in ships built and owned by American citizens.

This policy of encouragement to American shipping by preferential customs duties and tonnage taxes, while gradually reduced as it may have seemed no longer necessary, did actually remain in force as to an important part of our commerce until 1850, when the United States was vigorously applying mail subsidies with great success for the encouragement of ocean steamship lines.

Commercial treaties, negotiated with the nations of Europe and with Japan, prevent a reapplication of the former system of preferential customs duties and tonnage taxes. If the proposed amendment of these treaties is not to be undertaken because of grave difficulties therein involved, the inevitable alternative for encouragement to our shipping is a resort to the policy of subsidy, which the treaties do not forbid, and which, in fact, all competing maritime nations grant without objection from America and with large advantage to themselves.

Opposition to subsidy to shipping in America has been due chiefly to the same kind of unconsidering prejudice which long blocked the formal adoption of the gold standard of value—a prejudice against the word itself. A subsidy, like so many other things, is just or unjust according to its essential character. It has been historically applied with many shades of

meaning. As a mere gift or reward by a medieval monarch to some favorite politician of his court it is one thing, and as applied by deliberate legislation for the public purpose of developing a strong merchant marine and for the promotion of commerce and the national defense it is quite another. Intelligent opinion everywhere recognizes this difference.

For more than 70 years the United States Government gave without question a subsidy in the form of a direct bounty to the vessels and men engaged in the deep-sea fisheries. For a different reason, to encourage a very different industry, the American Congress in 1890 granted a direct bounty to the farmers and planters who grew sugar within the United States. This was regarded rightly then as an effective substitute for a protective tariff rate. Not only the National Government but State and city governments in the United States have assisted by public funds, to the amount of a great many hundreds of millions of dollars, the creation and maintenance of local and long-distance lines of land transportation.

Subsidy has also been given by Congress, though fitfully and inadequately, to the encouragement of transportation on the sea. After the British Government, in 1839 by a mail subsidy of \$425,000 a year to the Cunard Line, called the first regular trans-Atlantic steamship service into being, the United States in 1845 and 1847, on the initiative of President Polk and with a loyal heartiness then upheld by all parties and sections, granted mail subsidies for the encouragement of American steamship services across the Atlantic and to the West Indies and the Isthmus of Panama. Under this subsidy policy our ocean steam shipping from 1847 to 1855 increased more rapidly than Britain's and demonstrated such seagoing qualities that the American flag, as in the packet and clipper ships, commanded in steam the best trade of the Atlantic. It is of this era that Dr. David A. Wells, the economist, wrote in his history of the merchant marine that—

The prospect, therefore, at one time was that the United States, although late in the start of this new department of foreign shipping, would soon equal, if not overtake, her great commercial competitor.

It was the action of Congress that struck down the American steamship service on the North Atlantic by the reduction and then the withdrawal of the postal subsidies. In 1856 the principal subsidy, that to the Collins Line, was cut to \$385,000 a year; it had been as high as \$858,000. In 1858 there was another reduction of the Collins mail pay to \$346,000 a year, while other lines were restricted to the sea and inland postage. This action of Congress threw the Atlantic steamship trade into the hands of European companies.

At that time the Cunard Line was receiving a subsidy of nearly \$900,000 a year, and the British Government was expending in all for subsidies to British lines from \$3,700,000 to \$4,500,000. France granted her line on the trans-Atlantic route \$620,000 a year when the American service was abandoned. Commodore Vanderbilt, the ablest steamship manager of his time, made a resolute effort to keep American steamers in operation on the basis of the sea and inland postage alone, but could not succeed against the subsidies of Europe.

Since 1858 no real sustained trial of an adequate subsidy policy has been attempted by the United States, unless the subsidy paid the Pacific Mail Steamship Co. for 10 years from 1867 to 1878 can be called a policy of the Government. During the period of subsidy payment the total payments to the company totaled about \$4,500,000, but the payment did lead to the establishment of a line in the Pacific sustaining itself without subventions, excepting mail payments to the present day, though the subsidy plan has been steadily pursued, in one way or another, by all of our competitors. In 1891, after much urging by maritime and commercial interests, the United States Senate did pass a strong shipping subsidy bill applicable to both mail and cargo steamers. But all aid to the cargo ships was refused by the House of Representatives through the opposition of a group of Republican Representatives of the Mid-Northwest. These men also insisted on the cutting down of the subsidies to regular mail lines, which the Senate had set at a fair but not extravagant level.

The result was a crippling of the entire measure, viewed as a general policy of aid to the American merchant marine, though the new law did create or sustain two or three valuable postal services to the West Indies, to Mexico, to near-by South America, and to Australasia, and assisted in the development of an American line of four 20-knot ships from New York to Europe, the only complete, regular trans-Atlantic service flying the Stars and Stripes at the outbreak of the World War. In fact, almost all of the few American steamships afloat in overseas service in 1914 owed their existence to the little subsidy experiment of the ocean mail act of 1891, under which the United States was paying in aid to the merchant marine about one-half



of what was being contributed in postal subsidies to the aid of British shipping by the Government of Canada alone.

All through the period from 1891 to 1914, merchants, manufacturers, exporters, and bankers of the country were earnestly petitioning for adequate encouragement to American ocean shipbuilding and navigation. They were asking for protection for the one American industry left almost wholly unprotected and neglected—and this the most intensely competitive industry of all. Regularly the party platforms promised aid to American shipping. Following the Spanish War of 1898, a general subsidy bill, championed by Senators Frye and Hanna, passed the Senate, but could win no favorable action in the House of Representatives because of midwestern Republican opposition. In 1904, President Roosevelt secured the appointment of a Merchant Marine Commission of Senators and Representatives, under the chairmanship of the late Senator Gallinger of New Hampshire, to study the shipping question and present a report. Another subsidy bill granting aid to both mail lines and cargo vessels was recommended by the Republican majority of this commission, and was passed by the Senate on February 14, 1906, by a vote of 38 to 27. In the House, as before in 1891, the subsidy to cargo vessels was eliminated from the bill and mail subsidy was restricted to certain lines to South America. In this crippled form the bill was passed by the House on March 1, 1907, but concurrence of the Senate was prevented by a filibuster in the last hours of the expiring Congress.

Senator Gallinger brought forward the bill in postal form, and it was passed by the Senate on March 20, 1908, without a division. This bill, as an amendment to the Post Office appropriation bill, was brought up in the House on May 23, 1908, and defeated 145 to 153. On March 2, 1909, on a roll call in the House, the ocean mail bill was again rejected, but by a much narrower division of 172 to 175.

This brings the record down to the creation of the Shipping Board by the shipping act of 1916, and the passage of the Jones law, or merchant marine act of 1920. Throughout the years the policies chiefly advocated for the restoration of American ocean shipping and shipbuilding have been (1) subsidies, (2) a revival of preferential duties, and (3) "free ships"—that is, the free registry in the United States of foreign-built ships for overseas commerce. A "free-ship" provision was contained in the Panama Canal act of 1912, so far as concerned ships less than 5 years old. The provision in time of peace produced no result whatever. Not one foreign-built steamer was presented for American registry until the World War broke out and a new value was suddenly attached to the American flag as that of the most powerful of neutral carriers.

The "free-ship" privilege was broadened in the emergency act of August 18, 1914, but experience has proved that "free ships" alone are not an important factor in the upbuilding of the merchant marine. Far more valuable is some effective method of compensating shipowners for the higher wages and cost of maintenance of all American ships, of either native or foreign construction. Ships will neither be built in this country nor brought into registry from abroad so long as foreign vessels have a markedly lower wage and maintenance cost than American vessels, and often the additional advantage of subsidy or some other form of national assistance.

Our actual trial of "free ships" for overseas trade and the fact that preferential customs duties and tonnage taxes can not be applied unless commercial treaties are first amended make a general subsidy system inevitable if any complete aid is to be extended to the American merchant marine. It is the one policy left for consideration and adoption. As has been said, subsidy is the policy to which in some form or degree all of our maritime competitors have long been resorting. It is barred by no treaties and is least liable to provoke retaliation in kind. It is not well for the world that any one nation or group of nations should dominate the trade of ocean carrying. That never has been just or prudent, and it is far less just or prudent or possible now than ever before, because, as Secretary Hughes so significantly declared at the opening of the disarmament conference, "The importance of the merchant marine is in inverse ratio to the size of naval armaments."

Only about one-sixth of the products of American industries are exported overseas, but that one-sixth is greater in volume and sometimes greater in value than the exports of any other nation in the world. Rightfully, therefore, the United States is entitled to possess one of the greatest, perhaps considering its vast water-borne domestic commerce, the very greatest of all the merchant navies of the world. Rightfully, also, the United States is entitled to carry in its own ships the same proportion of its sea-borne trade as any of its competitors, which in the case of its chief competitor, Great Britain, is now about 70 per cent. As a matter of fact, American ships are

now conveying only about one-third in value of the exports and imports of our country. A year and more ago American ships were carrying about one-half of our imports and exports. What these figures clearly signify is that American ships are slowly but steadily being driven out of even our own overseas commerce, through cheaper wages or in some cases subsidies, or both combined, by ships that fly the flags of other governments.

That is to say, there is now going on the unmistakable displacement of what was once a great and prosperous American industry—which can again be made great and prosperous—by foreign industries, all of which have lower wage scales and cost of maintenance, and possess besides in some way or other national aid and encouragement of their own. This displacement of American ships by ships of other flags and allegiance right in our own commerce carries with it the displacement of American officers and seamen and the lessening of our means of national self-defense.

The situation is one which imperatively calls for national protection to the one great industry long left almost absolutely unprotected. The factory, the farm, have been, are now or will soon be, adequately protected against alien competition. If the factory, the farm, why not the ship and the shipyard?

Let it be remembered that American ships in the overseas trade compete directly and keenly with foreign ships of all the nations in the world in our own ports, along every mile of ocean to foreign ports, and in those foreign ports for every export and import cargo of American commerce, and that American ships do this against all the wage handicaps which our farmers can possibly meet, plus often the added handicap of foreign subsidy or other national assistance rigidly denied thus far to American shipowners and seamen. Under these conditions it is surprising that in 1915 there were so few American ships left in overseas trade that foreign shipowners were able to compel American farmers to pay more money for carrying a bushel of grain abroad than the farmers received for all the labor and expense of its production?

Any aid or subsidy now given to American shipping must include the cargo ships, the "tramp" steamers, of which the American people through the Shipping Board own hundreds—the ships needed and fit to carry American grain and provisions and cotton to markets in foreign lands. That these are the farmers' kind of ships must not be forgotten by the national lawmakers. Agriculture still supplies the bulk of our export commerce, and it is entitled to full consideration in the shaping of a national policy for the encouragement of our merchant marine.

Granting that it is desirable and necessary to aid not only the regular mail line ships, which are relatively few, but the slower cargo ships, which are many, in any serious effort to encourage American maritime industry, the effort is wholly practicable. There are precedents for it. American national maritime policy, as framed by Washington, Jefferson, and Madison, protected all American ships engaged in commerce—not merely the postal or passenger packets of that day. Several nations of Europe, and Japan for a considerable time, have aided by direct subsidy their cargo carriers.

Great Britain has not practiced this expedient, but the mail subsidies of the British Government in the crucial period from 1840 to 1860 applied to all or most of the ocean steam tonnage of the United Kingdom. Moreover, the British subsidies, creating regular steam lines, developed also a growing traffic a large part of which could not profitably be conveyed in liners, but demanded the use of the cheaper "tramps." Finally, the potential, protective power of Lloyd's classification and insurance agencies, and the complete cooperative organization of British merchants, exporters and importers and brokers all over the world have given British "tramp" shipping through the years an advantage perhaps as valuable as direct aid could extend.

For all this indirect assistance there is no equivalent yet available to the cargo ships of the American merchant marine. Direct aid is absolutely necessary in our own export and import commerce. This aid by subsidy can be made applicable to all our ships regularly engaged in the foreign trade of the United States. It can be given to vessels only while actively employed in loading, steaming, discharging, or undergoing voyage repairs, and it can be based on the actual difference in wages and maintenance between the American ships and their immediate competitors. All this is entirely feasible, for the movements of merchant ships and the pay rolls of all nationalities are matters of record available at any time.

Just as in the case of regular mail liners, subsidy to cargo ships can be made conditional upon the performance of substantial service to the Government. These ships can be re-



quired to carry the mails in case of need where no liners are available. They can be held subject under contract to be turned over to the national authorities at a fair price or rate of hire in an emergency.

As to the exact amount of the subsidy that must be given to equalize competitive conditions and thus assure fair play to the new American merchant marine, whether Government owned or privately owned, this is much more readily ascertainable than the commercial data for establishing protection by tariff law to manufacturing and to agriculture. Foreign merchant vessels competing with our own ships enter our ports and make themselves subject to taxation and inquiry here in the same way in which American ships have been subject to just such taxation and inquiry in foreign waters. Wage scales of foreign shipping, as of American shipping, are the subject of constant investigation and report by the Department of Commerce and the Shipping Board. If once the principle of protection to the American ocean merchant fleet is established, the manner of applying the principle can promptly be determined.

In the main, however, it is not statute law or regulation but natural standards of wages and of living in the United States that are responsible for the higher cost of manning and maintaining the American merchant marine. Sea wages and living standards for every maritime country are established by the wages and standards of living that obtain on the land in that country. This is the reason chiefly why the pay roll of British ships is somewhat higher than the pay roll of Scandinavian ships and why the pay roll of Scandinavian ships is somewhat higher than the pay roll of Italian or Greek ships, for example, and the pay roll of Italian or Greek ships is again higher than the rate prevailing in the merchant service of Japan. Abnormal exchange, which now makes the German sea wage even lower than the Japanese, is a special factor counting heavily against American ocean shipping. It is, in fact, temporarily equivalent to a subsidy to most foreign ships against America. This abnormal exchange must be fairly reckoned with for the time being in the adjustment of an adequate subsidy for vessels of the United States.

Our leading competitors in shipping to-day are Great Britain, France, Italy, and Japan. All of these countries pursue a policy of subvention, subsidy, or other favoritism toward their shipping interests, in many cases helping shipbuilding.

It is Great Britain which first began the policy of subsidizing steamships and has been most persistent and therefore most successful in the application of that policy to her great national steamship services plying to all important markets in the world.

The Cunard Co., the first regular trans-Atlantic steamship service, was created in 1839 by the grant of a postal subsidy of \$425,000 a year by the British Government. This \$425,000 a year represented more than the total first cost of a steamship of that day, or about 25 per cent per annum on the entire first cost of the whole fleet of Cunard steamers.

In 1841 the British Government gave a subsidy of \$1,200,000 a year to the Royal Mail Steam Packet Co. to create a line to the West Indies and to the Isthmus of Panama. This subsidy was soon increased to \$1,350,000 a year for an additional British service to Brazil and Argentina. At the same time a subsidy of \$225,000 a year was given to the Pacific Steam Navigation Co. for a line on the west coast of South America, which touched at no British port.

These payments were not for postal service only, but were intended as encouragement to British shipbuilding and navigation, and it can be demonstrated beyond the shadow of a doubt by the statements of British officials themselves.

In the first place these payments in all the British discussions of the day were plainly described as "subsidies." No other word was used.

The parliamentary committee on contract steam packets, made up of the British public men who had voted the subsidies and best understood their purpose and character, declared in 1853 in the report to Parliament:

The objects which appear to have led to the formation of these contracts and to the larger expenditures involved were to afford us rapid, frequent, and punctual communication with distant ports which feed the main arteries of British commerce and with the most important of our foreign possessions, to foster maritime enterprise, and to encourage the production of a superior class of vessels, which would promote the convenience and wealth of the country in time of peace and assist in defending its shores against hostile aggression.

This statement is a description of the steamship subsidy exactly as it is understood in the United States. It is quoted from the most competent authority in the British Government at the very time when these subsidies were being established.

In 1845 and 1847, on the recommendation of a Democratic President, Polk, and by vote of a Democratic Congress the United States initiated a policy of subsidies to steamship lines

exactly like the subsidies of Great Britain. The British Government incidentally increased its subsidy to the Cunard Line from \$425,000 to \$725,000 a year to put out the new American competition. That such was the purpose of the increased subsidy was declared by Mr. Cunard, the head of the Cunard Co., testifying in 1849 before the parliamentary committee on steam packets.

He said:

If I had got this contract three months sooner there would have been no American line.

The American line to which he referred was the famous Collins Line of American-built trans-Atlantic steamships from New York to Liverpool. Its ships were larger, swifter, and generally more efficient than the Cunard steamers, and these American ships quickly took the ascendancy on the North Atlantic. Officers of the British Navy who examined the American steamers reported to their Government that Great Britain "had no steamships comparable with them"; that they were better sea boats and that their propulsive equipment was superior. These American ships held all the trans-Atlantic records, carried two-thirds of the best passenger business, and cut Cunard freight rates in half during the period of their operation.

Even then the British Government, in the vain effort to kill the American line, gave Cunard a further increased subsidy of \$900,000 a year, but the American ships retained their pre-eminence. Two of them were lost at sea, and several of the British ships had meanwhile been lost. But the Collins Line lived until 1858, when its subsidy of \$858,000 was first reduced and then most of it withdrawn by Congress in the time of the political slavery quarrel between the South and the North.

Again, to quote a British, not an American, authority. Richard Cobden, testifying before the parliamentary committee on packet and telegraph contracts, declared shortly after that the American steamship service "ceased because the American Government withdrew the subsidy."

Another British witness, Mr. Wilson, stated before the same committee:

In the face of these increasing British subsidies the American Government has altogether relinquished the practice of subsidizing their vessels, and their vessels, of course, have been driven off the passage.

At this time the Cunard Steamship Co. was receiving a subsidy of almost \$900,000 a year, which was greatly reduced as soon as it had achieved its purpose of killing American competition.

To quote still another British, not an American, authority. Henniker Heaton, a member of Parliament and formerly British postmaster general, declared in the North American Review of October, 1894:

As American ships were not subsidized, their owners could not compete with the Cunard and other companies, the art of shipbuilding languished, and the American carrying trade was transposed to foreign bottoms. In 1891 only 13 per cent of the exports from the United States were carried in American ships, which at one time had engrossed 90 per cent. As a consequence of refusing \$5,000,000 a year in subsidies during 30 years to native shipowners, or \$150,000,000, the United States had to pay in the same period not less than \$3,000,000,000 for freights, while their mercantile marine dwindled into insignificance.

Rear Admiral Bedford Pim, another celebrated British maritime authority, thus described the subsidy policy of the British Government:

It has been the policy of the British Government to establish or, rather, to encourage the establishment of British steamship lines by the annual payment of a postal subsidy, and this with the most gratifying result as regards the expansion of British commerce. I know of no instance of a British postal line of steamers originally established without a subsidy for carrying the mails.

Incidentally, a distinguished American statesman, Senator James Ashton Bayard, of Delaware, father of Thomas Francis Bayard and a forebear of a Democratic Senator elect of the same name, said in a debate in Congress on the Collins subsidy in the year 1852:

I am willing to trust American skill and industry in competition with any people on the globe, when they stand nation to nation, without government interference. But if the treasury of a foreign nation is poured into the lap of individuals for the purpose of destroying the interests of my country or for building up a commercial marine at the expense of the commerce and prosperity of the United States, I for one will count no cost in counteracting such Government action on the part of Great Britain or any foreign power.

Not only in earlier but in later and present times it has been the fixed policy of the British Government, while bestowing subsidies on its own principal steamship lines, to give no postal pay to American and other foreign ships as far as possible. When a French line of steamers, Messageries Impériales, offered to convey the British mails to the Far East for a fraction of the subsidy of \$1,300,000 a year which the British Peninsular & Oriental Co. was receiving, it threw the House of Commons



into a fit of indignation and protest. As one of the members, Mr. Crawford, said:

Now, what I desire to do on this occasion is to protest, in the name of what I consider to be the interests of the country and the interest of commerce, and in justice to our own companies, against the ships of the Messageries Impériales or of any other foreign company being employed in the conveyance of our eastern mails. [Loud cheers from all parts of the house.] You may carry the principle of economy too far. [Hear, hear!] Such a course of proceedings would be free trade gone mad. \* \* \* I think it is rather too much to expect that the interests of this country, commercial, social, and political, should be made to depend upon the good will of any foreign nation whatever. [Renewed cheers.]

When a few years later, in 1887, it was stated before the House of Commons that French and German steamers of superior speed were willing to convey the Asiatic mails for "from one-fourth to one-half less postage" than the British steamers were receiving, the proposition was vehemently rejected by Parliament, Mr. Goschen, Chancellor of the Exchequer, declaring that the services for which the Peninsular & Oriental Co. was subsidized were services which are postal in one sense, but which are undertaken partly for political, commercial, and other objects.

Postmaster General Raikes at the same time declared:

I think that if the honorable member only took the pains to study the course of public opinion he would find that a contract with the North German Line or the Messageries Maritimes would have a very slight chance of being adopted by the House of Commons.

The British Government boycotted not only French and German ships but the American steamers of the Inman Line, *St. Louis*, *St. Paul*, *New York*, and *Philadelphia*, of 20 knots, which in their prime performed the swiftest and most regular steamship service across the western ocean. There were at that time only two steamers in the whole British mercantile marine that were as fast as these steamers, but the British Government would send no letters except those specially addressed by these American steamers, paying them a rate only one-third or one-fourth of that given to British vessels of inferior speed. In 1905 the British Government paid only \$10,511 in mail pay to the four fast American liners, though our Government in that year paid \$212,000 to the steamers of the British White Star Line, \$101,000 to the British Cunard Line, \$168,000 to the North German Lloyd, \$64,000 to the Hamburg-American Line, and \$60,000 to the French company.

Between 1839 and the present time Great Britain has expended about \$400,000,000 in direct subsidies to her principal steamship services, but in exchange for it the British Government has secured a fleet of swift naval-reserve steamers four times the size of the similar fleet possessed by the United States. In this matter it is Great Britain that has been the protectionist and the United States relatively the free trader.

The British subsidies have not been confined to Atlantic ports. The Canadian Pacific Line from Vancouver to Japan and China has been subsidized by both the British and the Canadian Governments—"a notable illustration of the generosity and courage with which England pushes her shipping interests," declared the late Hon. William C. Whitney in his annual report as Secretary of the Navy during the administration of President Cleveland.

Thus not only British authorities, but eminent American Democratic authorities, challenge and destroy the assertion of the opposition to this proposed marine bill that "Great Britain, chief maritime country in the world, has never given any subsidies to steamships."

Another assertion almost equally misleading is sometimes heard that the British Government "has never subsidized tramp steamers, and these make up the bulk of the British merchant marine."

This is not a total falsehood—it is only a half truth. Originally all ocean steamships were liners, and then all British steamships were subsidized, and that was shown in the advancement of steamship building and navigation. In the years between 1840 and 1860, it is a historic fact, never disputed, that at that time the British subsidies to regular line ocean steamers created British shipyards and engine and boiler works which could not have come into existence without such Government encouragement. These British yards and engine and boiler works that built the first subsidized British vessels later turned their attention to building slower freight steamers, so that indirectly the British tramp fleet is a product of the British subsidy system.

Furthermore, it has been realized that the subsidies given to the contract lines of British steamers have powerfully operated to create new commerce in which the slower tramp steamers have found a place as the carriers of the cheaper and bulkier commodities. All of the subsidized British steamship companies have long owned large fleets of the slower cargo

ships which have been indirectly the beneficiaries of the national subsidy system.

However, the most direct protection and encouragement which the British freight steamers have received has been given by the close working cooperation of British merchants, underwriters, agents, and brokers all over the world. These interests have invariably worked together to give preference to British cargo ships and to discriminate against all non-British competitors.

What may well be described, in the words of Secretary William C. Whitney, as another "notable illustration of the generosity and courage with which England pushes her shipping interests," has lately come to light in the port of Alexandria, Egypt, where for nearly two years a close-working combination between the Liverpool Conference, in which the Cunard and Prince companies are included, and the Alexandria Produce Association, also dominated by British interests, prevented American steamers from carrying a single pound of Egyptian cotton to the American mills for which this cotton had been purchased. This powerful, exclusive, discriminatory protection of British cargo steamers in the Alexandria-New England cotton trade could not be broken up and any cargo secured for American ships until the British combine had been thoroughly frightened by threats of reprisal by the American Government.

Between direct subsidies to regular steamship lines and combinations and discriminations like those just described at Alexandria, the British merchant shipping for the last 80 years may well be described as the most effectively State aided and protected industry in the world.

James G. Blaine was not mistaken when, in his celebrated letter of 1890 to Mr. Gladstone, he declared:

It will not escape Mr. Gladstone's keen observation that British interests in navigation flourished with less rivalry and have increased in greater proportion than any other of the great interests of the United Kingdom. I ask his candid admission that it is the one interest which England has protected steadily and determinedly, regardless of consistency and regardless of expense. Nor will Mr. Gladstone fail to note that navigation is the weakest of the great interests of the United States, because it is the one which the National Government has consistently refused to protect.

To this statement Mr. Gladstone never replied, for the sufficient reason that it was absolutely true and unanswerable that in ocean shipping it is Great Britain that has been the protectionist and the United States the free trader.

Mr. Blaine in his very last speech in the United States Senate, on January 27, 1891, thus strikingly summed up what had been to that date—and indeed, has virtually remained to the present day—the do-nothing, pliant, and destructive policy of the American Congress:

It is a fact equally remarkable that for the last 25 years, or make it only for the last 20 years, from the beginning of the war to this hour, the Congress of the United States has not done one solitary thing to uphold the navigation interests of the United States. Decay has been observed going on steadily from year to year. The great march forward of our commercial rival of old has been witnessed and everywhere recognized, and the Representatives of the people of the United States have sat in their two Houses of legislation as dumb as though they could not speak, and have not offered a single remedy or a single aid. \* \* \*

During these years in which Congress has not stepped forward to do one thing for the foreign commerce of this country, for all that vast external transportation whose importance the Senator from Kentucky has not exaggerated, but has strongly depicted, the same Congress has passed 92 acts in aid of internal transportation by rail; has given 200,000,000 acres of the public lands, worth to-day a thousand million dollars in money, and has added \$70,000,000 in cash, and yet, I repeat, it has extended the aid of scarcely a single dollar to build up our foreign commerce.

Outside of Great Britain the policy of subvention or subsidy in aid to the British marine has been used by every colony of Great Britain, so it is almost impossible to compute the exact amount paid to the various lines from various sources. The cross Atlantic mail—carried by the two companies, the Cunard and White Star—payments amount to between \$600,000 and \$700,000, besides some special payment made on account of the construction of the *Lusitania* and *Mauretania*, a portion of the construction money being loaned by the British Government at 2½ per cent. The Peninsular & Oriental Steamship Co. receives for special services from the British Government about \$1,200,000. Reference to Commerce Report of July 31 will fully describe the British payments, but you will note it says that it is impossible at this time to compile the payments made by the colonies.

Perhaps the most striking modern example of the upbuilding of a merchant marine is that of Japan, which country, by both shipbuilding subsidy and subsidy to shipping, has succeeded in securing for herself the position of third power in importance in the overseas trade in the short period of 20 years. The budget for 1922-23 provides for a postal subvention of about \$5,000,000. Besides this the average navigation bounty for the



past seven years has been about \$4,000,000 annually, shipbuilding bounties of about \$1,250,000 per annum.

France and Italy pay both a shipbuilding bounty and a subsidy, the recent contracts of France for subsidized services being in the nature of limited compensation proposed in our present bill. Italy spends about \$6,000,000 annually in shipping subsidies, and our latest reports from France would indicate the Government is preparing to pay the largest subsidies ever under consideration in that country.

A comparison of the world's tonnage for showing the increases or decreases of the past 30 years is as follows:

	WORLD'S SHIPPING.	Tonnage.
1890	-----	22,151,000
1914	-----	49,089,000
1921	-----	61,974,000
	UNITED KINGDOM.	
1890	-----	10,241,000
1914	-----	19,956,000
1921	-----	19,571,000
	FRANCE.	
1890	-----	1,045,000
1914	-----	2,319,000
1921	-----	3,652,000
	GERMANY.	
1890	-----	1,569,000
1914	-----	5,459,000
1921	-----	717,000
	JAPAN.	
1890	-----	171,000
1914	-----	1,708,000
1921	-----	3,354,000
	NORWAY.	
1890	-----	1,705,000
1914	-----	2,425,000
1921	-----	2,114,000
	ITALY.	
1890	-----	820,000
1914	-----	1,549,000
1921	-----	2,406,000
	UNITED STATES.	
	(Registered for foreign trade.)	
1860	-----	2,546,000
1865	-----	1,602,000
1880	-----	1,352,000
1890	-----	946,000
1914	-----	1,076,000
1921	-----	11,081,000

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. EDMONDS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, it would be impossible for any one member of the Committee on the Merchant Marine and Fisheries or any member of the Committee of the Whole House on the state of the Union to undertake within any reasonable limitation of time to discuss and analyze all of the various provisions of this bill and apply to that discussion at the same time the testimony that has been submitted in these very voluminous and extensive hearings. It shall be my purpose in opposing the bill to undertake to give a candid and frank analysis of its provisions, to show what unusual and extraordinary powers are granted to the Shipping Board, and to undertake to show not by imagination or by conjecture but by the actual record of the evidence disclosed by the witnesses that the aid and subsidies invoked in the bill are not absolutely essential to the maintenance and operation of a successful American merchant marine. I shall not undertake to discuss it from a partisan standpoint, although I am glad to say that the party to which I owe allegiance is unqualifiedly opposed to the fundamental provisions of this bill.

Mr. CHANDLER of New York. Mr. Chairman, will the gentleman yield at this time?

Mr. BANKHEAD. No; I desire not to be interrupted until I can make a coherent statement, and I ask the gentleman's indulgence in that respect. The distinguished gentleman from Massachusetts [Mr. GREENE], the chairman of this committee, in opening his remarks on this bill said that it was in answer to the promises of the Republican Party as declared in its last national platform on the merchant-marine proposition. The gentleman from Wisconsin [Mr. J. M. NELSON] undertook to quote from that plank of the last Republican platform but did not do so in full.

There was some little controversy between the gentleman from New York [Mr. SNYDER] and the gentleman from Wisconsin [Mr. J. M. NELSON] as to what a correct interpretation

of the Republican attitude on this question is as declared in its platform. For the benefit of the record and in order that the members of the majority party may have their recollections refreshed as to their party's declaration on this question, I propose to read it.

Mr. GREENE of Massachusetts. Mr. Chairman, will the gentleman yield to me for a question?

Mr. BANKHEAD. Inasmuch as I have referred to the gentleman from Massachusetts, I feel inclined to yield to him.

Mr. GREENE of Massachusetts. I will read exactly what I have said:

It is offered in fulfillment of reiterated solemn pledges of the Republican Party to help and upbuild the merchant marine.

That is what I said in my opening remarks.

Mr. BANKHEAD. I accept that, and I am glad the gentleman has incorporated just ahead of its platform what he did assert.

Mr. GREENE of Massachusetts. I said exactly what I meant.

Mr. BANKHEAD. I shall now read the platform.

#### MERCHANT MARINE.

The national defense and our foreign commerce require a merchant marine of the best type of modern ships flying the American flag, manned by American seamen, owned by private capital, and operated by private energy.

We indorse the sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine.

We recommend that all ships engaged in coastwise trade and all vessels of the American merchant marine shall pass through the Panama Canal without payment of tolls.

There is your full party declaration on this question. I call the attention of those members of the majority party who may still be in some doubt as to the propriety of an affirmative vote for this measure to the specific language of this declaration:

Owned by private capital and operated by private energy.

Is there any man on this side of the House who, by any stretch of interpretation, can say that that is a declaration in favor of a Government subsidy for the operation of our merchant marine? On the contrary, the positive declaration appears to be opposed to that principle because it asserts that it should be operated by private energy. What does that mean in its fair and correct analysis? It means that the owners of these ships shall undertake to exercise their ingenuity and their own capital and their own energies in order to build up the merchant marine, and it says nothing about expecting them to reach their hands into the Public Treasury of the United States and to extract therefrom annually for a minimum period of 10 years the enormous sum of at least \$52,000,000, and very probably much more—cash moneys that are paid into the Treasury of the United States out of the toil and sweat and the labor and private energies of the other producers of America—that they shall be selected and picked out and set apart as one particular favored industry in this country to be handed this magnificent gratuity out of the Treasury of the United States.

They indorsed in that Republican platform the following:

We indorse the sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine.

They were referring to the provisions of the so-called Jones Shipping Act, the merchant marine act of 1920. I heard these same gentlemen, who are now the active and partisan sponsors of this monstrosity now presented, urge upon the consideration of the Congress and the country a little over two years ago that if this Congress would but enact the Jones bill it would do what your party boasted in this platform it had done—insure, promote, and maintain the American merchant marine. And what have you done with that so-called bill that would do that thing? In so short a period as two years you come before this Congress and before the country and confess that that bill, which you then guaranteed and assured us would promote a permanent and successful American merchant marine, is an absolute failure, and you are now abandoning it out of the whole cloth. [Applause.]

Is not that a fair statement of the situation? If you failed in that, why not in this? What did you rely upon as the main support of the proposition announced in your boastful national platform? You relied upon sections 28 and 34 of the Jones Act, one in reference to preferential freight charges for foreign shipments and the other providing that goods imported into this country in American bottoms should be brought in at reduced rates of tariff at the customhouse. And now you have absolutely abandoned that then pronounced program and both of those two provisions that you then stated were proper safeguards for the building up of an American merchant marine. President Wilson refused to execute the provisions of section 34, and I well remember that such distinguished Republicans

as the gentleman from Pennsylvania [Mr. EDMONDS] and others were very severe in their strictures upon that action of the President of the United States, and gave out interviews publicly announcing that so grave was the dereliction of the then President in failing to observe the mandate of Congress upon this great question that they thought he ought to be then and there impeached and removed from office. The gentleman from Pennsylvania does not deny that. He can not successfully deny it. And yet, in the course of politics, two years afterwards his own party came into power and his own President took the reins of office, and he was presented with the necessity of passing upon this same question. President Harding followed the decision of President Wilson upon that question and refused to put it into operation. And yet I have not heard the distinguished gentleman from Pennsylvania or any other man prominent in authority on that side threaten to impeach President Harding for his failure to do that thing.

And so stands feeble and impotent the legislation upon which they assured the people of America that they would be able successfully to promote and maintain in perpetuity a merchant marine without a cash subsidy. And then the other provision in reference to the preferential freight rates, when interrogating the prominent members of the Shipping Board as to why they had not taken any steps to put that into effect—

Mr. EDMONDS. Will the gentleman yield?

Mr. BANKHEAD. I want to make a coherent statement, if the gentleman will kindly excuse me.

Mr. EDMONDS. I wanted to correct the gentleman. Of course, he remembers his President signed this act, agreed it was a good thing, but refused to put it into operation.

Mr. BANKHEAD. Yes; and your party passed that act, and you now confess it was a fraud upon the American people. [Applause.]

Mr. GARRETT of Tennessee. And his President voted for it in the United States Senate. [Applause.]

Mr. BANKHEAD. Exactly. So, gentlemen, I say as I proceed in this argument it is well for us to preserve the record.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. BANKHEAD. Briefly.

Mr. DAVIS of Tennessee. In response to what was said by the gentleman from Pennsylvania, the present bill contains one provision, the tax-exemption provision, which both Chairman Lasker and Mr. Morgan said was far more valuable than section 34, and that is inserted as a subsidy, but instead of stopping with that they have innumerable other costly provisions and subsidies in the bill.

Mr. BANKHEAD. I heartily agree in the statement of my colleague. Now, gentlemen, let us undertake to disarticulate this skeleton and see what it discloses. It is a matter of very grave public concern. It is a matter that involves the taxpayers of America for at least the next 10 years in the event this Congress by great unwisdom should enact it. It is a proposition that entails the payment out of the Treasury of the United States of an amount in the minimum of at least \$52,000,000 a year, and in all human probability much more. And I shall proceed to give my authority for the statement I make as to the probable cost to the taxpayers of this country—this gratuity to be bestowed upon these favored gentlemen on the Atlantic seaboard. I quote from the testimony of the high apostle of a subsidy, Chairman Lasker, of the Shipping Board. On page 273 of the hearings, in reply to an inquiry by the gentleman from Tennessee [Mr. DAVIS], this answer was given by Mr. Lasker. I will quote the question and then the answer:

Mr. DAVIS. No; I beg your pardon. As I understand it, this revised report was revised after the bill was introduced.

Mr. LASKER. Let me see, now. I think we can get a quick meeting of the minds.

Here are the figures on cross-examination. I presume Mr. Lasker has all the frailties that are inherent in men, and as a proponent of this proposition wanted to make it as little objectionable to the American people as possible. Here are the items he gives. I quote:

The total cost to the Treasury if the bill ever becomes highly successful in operating, so that we have an adequate merchant marine for peace and war, will be: Customs, \$30,000,000; tonnage, \$4,000,000; income tax, \$10,000,000; construction, \$3,000,000; and postage, \$5,000,000.

Mr. DAVIS. How much does that add up: \$52,000,000?

Mr. LASKER. That will add up \$52,000,000.

Now there, gentlemen of the committee, is your primary cost under the operation of this bill.

Mr. FREE. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I regret I can not yield.

Mr. FREE. Some of that is already paid, and that is not an additional amount.

Mr. BANKHEAD. I am quoting from the record of the proceedings.

I want to call the attention of the gentleman from New York [Mr. HICKS], if he is present, to this fact: He made an inquiry of the ranking Republican member of this committee, the gentleman from Pennsylvania [Mr. EDMONDS], with reference to the effect of the change of this provision regarding transports. I thought my friend from Pennsylvania was rather evasive on that proposition, because there is no ground for any subterfuge or evasion on any provision of this bill. It is plainly written in the bill itself that if it is passed there is proposed to be a substitution for the transport service in the carrying of these supplies and troops, and so forth, by private owners, and the bill authorizes the Shipping Board to make contracts for that purpose. Of course, it is the purpose of the bill to add an additional subsidy for the benefit of the private owners and to abolish the well-established transport service now in existence.

Mr. MONDELL. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. BANKHEAD. Yes; I will yield to the distinguished leader of the majority for an inquiry.

Mr. MONDELL. Assuming that Mr. Lasker is correct in his estimate—

Mr. BANKHEAD. Usually that is a violent assumption, but in this case I will concede it.

Mr. MONDELL. Assuming that Mr. Lasker is correct in his estimate of cost, based upon the full utilization of the fleet, the estimate he made upon the full utilization of the fleet is about what it is costing now to operate a quarter of the fleet, so that it is no additional burden at any rate, assuming that Mr. Lasker is correct, and it presumes three or four times as large a fleet upon the seas as we now have without an additional charge upon the Treasury.

Mr. BANKHEAD. Well, I expect to get to that phase of the situation a little later. I expect to show, and I think other colleagues of mine on this committee will be able to show—

Mr. EDMONDS. Mr. Chairman, will the gentleman yield there?

Mr. BANKHEAD. Let me finish this sentence—that this alleged loss of \$50,000,000 by the Government is totally and absolutely unnecessary, and it could be, if we had to resort to the contingency of further temporary Government operation, very, very greatly reduced. Now, what is the gentleman's observation?

Mr. EDMONDS. I simply wanted to call the gentleman's attention to the fact that the loss on Army transports, referring to the proposition for the employment of other ships for that service, is about \$5,000,000.

Mr. BANKHEAD. Now, gentlemen, I want to proceed to another phase of this proposition.

Mr. GRAHAM of Illinois. Before the gentleman proceeds, in answer to what the gentleman from Pennsylvania says, I read a statement in the hearings by Secretary Weeks stating that the cost of the Government transport service is less than it would be under the Shipping Board.

Mr. BANKHEAD. That is correct.

Mr. GRAHAM of Illinois. Is the gentleman from Pennsylvania right about this, or is Secretary Weeks right?

Mr. BANKHEAD. I do not regard either of them as of very high authority on this bill, but I believe that a Cabinet officer outranks somewhat a Member of Congress in authority, but not necessarily in accuracy. [Laughter.]

Mr. EDMONDS. Of course, the gentleman realizes that he is not an authority on authorities. [Laughter.]

Mr. BANKHEAD. I will let the gentleman's colleague from Illinois answer that question.

Now, gentlemen, I think you will recognize that this is a fair proposition. We recognize that this ship subsidy bill is a very extraordinary remedy for what is called a bad situation, because there is no doubt on earth but that it lodges very unusual and extraordinary powers in a small executive branch of the Government, to wit, the Shipping Board. There is no doubt on earth that it involves the enactment of a policy that has heretofore been stubbornly combatted in the Congress of the United States and always defeated uniformly—the bestowal of a direct cash subsidy from the Treasury of the United States upon a private enterprise. It is certainly a question of such momentous concern—

Mr. CHANDLER of New York. Mr. Chairman, will the gentleman yield there?

Mr. BANKHEAD. Let the gentleman contain his anxiety until I have finished this sentence. It is of such immense importance that the great papers throughout the country are discussing it daily in their columns. It is a policy which for possibilities of danger involved is, in the opinion of the members of my party, the greatest since my service in Congress here began; and I therefore say that on account of the issues in-



involved, on account of the tremendous sums of money involved, the duty is certainly imposed upon the proponents of the proposition to show by facts—not by assertion but by facts and the record—that there is absolutely no other remedy, and that all of the provisions that they are asking for combined are required to build up and maintain a successful American merchant marine.

Mr. CHANDLER of New York. Now that the gentleman has finished his sentence will he yield for a question?

Mr. BANKHEAD. Does the gentleman think he can improve on that sentence? [Laughter.]

Mr. CHANDLER of New York. I want to ask the gentleman a question that the gentleman can answer.

Mr. BANKHEAD. I yield.

Mr. CHANDLER of New York. The gentleman stated that the attitude of the Democratic Party was antagonistic to this measure.

Mr. BANKHEAD. I have stated that.

Mr. CHANDLER of New York. I want to lay a foundation or predicate to the question I want to ask, not to make a speech. As to that celebrated sentence which the gentleman has just closed, that this measure has been combatted by his party—

Mr. BANKHEAD. And by some very respectable people of your party.

Mr. CHANDLER of New York. Does he not know the fact, as stated by the gentleman from Alabama [Mr. UNDERWOOD], now a Senator, in the debate on the Panama Canal tolls, that the Democratic Party had repeatedly been committed to a subsidy, and does he not know that the Senator from Louisiana [Mr. RANSDELL] mentioned the historical fact that the Democratic Party had gone on record in favor of a subsidy? Is not that a fact?

Mr. BANKHEAD. The gentleman is undertaking to draw a conclusion by reason of two isolated expressions of opinion by two individual Democrats, both of whom I admire highly, that because they felt so-and-so upon some particular question, therefore they expressed the attitude of the Democratic Party on this question.

I want to assert—and I think I am reasonably familiar with the position of the Democratic Party upon this question—that from the time my party was formed, and from the time when Thomas Jefferson gave expression to that sound fundamental doctrine, we have stood and we still stand on the proposition that we believe in equal rights to all and special privileges to none. [Applause.] Now, that is not elocution. That is just a statement of our historic attitude upon this question, and presents our attitude at the present time. I recognize that there are some gentlemen who hold allegiance to my party who, on account of some peculiar local conditions of one sort or another, may vote for this bill. There are not many such. Speaking of the question of party principle, I want to ask the gentleman if he is willing to assert, as a responsible representative of the Republican Party upon this floor, that his party stands in principle for a subsidy for ships or any other special interest?

Mr. CHANDLER of New York. Does the gentleman ask me that question?

Mr. BANKHEAD. Yes; I ask you that question.

Mr. CHANDLER of New York. Yes; I think the Republican Party is committed historically to the principle of protection to American industries on land, and that the protection of ships on the sea is only another form of that protection. [Applause.] Since the 7th of November I do not claim to be a responsible authority of the Republican Party. [Laughter.]

Mr. BANKHEAD. I am inclined to concede that. [Laughter.] Unfortunately a good many of the gentleman's colleagues in this Congress occupy the same unhappy situation. [Laughter.]

A MEMBER (on the Republican side). But that condition is not chronic.

Mr. CHANDLER of New York. There is still a majority of Republicans in the House.

Mr. BANKHEAD. The gentleman from New York has made his declaration, which was applauded very liberally upon his side of the House, and I am very glad to have his statement that we have a very definite line of cleavage on this question between his party and mine. I do not think there will be any misunderstanding about that. I am willing to join issue before the American people on the principle involved.

Mr. CHANDLER of New York. I do not wish to annoy the gentleman by breaking into his remarks, but I want to make one observation. I suppose every Member of this House received the typewritten statement of the distinguished Senator from Louisiana [Mr. RANSDELL], and I suppose it was an authoritative statement, giving the ascertained facts and data

showing that in the many years past of the Democratic Party it has for decades been committed to the principle of a subsidy for ships; and I believe the Senator from Louisiana rather than the gentleman from Alabama.

Mr. DAVIS of Tennessee. If the gentleman from Alabama will permit me, I will say that I read that statement and the facts therein recited do not substantiate the gentleman's assertion. As a matter of fact, I have read carefully all the platform pronouncements of both parties upon this subject, and the Democratic Party has never at any time, directly or indirectly, declared in favor of ship subsidies, but has repeatedly and emphatically declared against them in Democratic national platforms; and I wish to say, furthermore, that the Republican national platform has never at any time declared in favor of ship subsidies, not even at the times when such bills were pending in Congress and they were vital issues, and at the times when the Democratic national platforms were declaring against them. And during the recent campaign, while you have had no national convention, I know that a great many Republican State conventions have refused to declare in favor of this pending bill, including the Ohio Republican State convention after they were requested by President Harding to do so. [Applause.]

Mr. BANKHEAD. After which the gentleman from New York [Mr. CHANDLER] saith not.

Mr. CHANDLER of New York. Absolutely.

Mr. BANKHEAD. Now, gentlemen of the committee, I was diverted from the line of my argument that I was intending to make when I laid down the proposition that this was an important public question and that the burden certainly was upon the proponents of it to establish its necessity. Now, let us see from the record again what are the differentials against the American merchant marine under existing law and practices and customs which require the enactment of this ship subsidy bill. Let us see from the record what the chief sponsor for this proposition asserts are the things now in existence which make impossible the successful operation of an American merchant marine privately owned without this subsidy. The gentleman from Texas [Mr. HARDY], the ranking Democratic member upon our committee, on page 24 of the hearings, asked Mr. Lasker this question:

Mr. HARDY. What do you consider are the elements of disadvantage that the American shipowner labors under to-day as compared with the British shipowner?

I think it is proper for me to state in conjunction with that question of Judge HARDY that Mr. Lasker and the other members of the Shipping Board laid down the proposition that what they were essentially seeking under the provisions of this bill was to be able to compete successfully with British shipping upon the high seas. That was the mark that they set.

Mr. Lasker's answer was:

I am not proposing myself to go into details in answering those questions, because those who are experts and who are my advisers will answer; but in a general way I will say that the differences are original capital cost, interest, insurance, labor, and subsistence.

Now, gentlemen, that is a fair statement of the elements that compose the obstacles, from the standpoint of the sponsors of this bill, to the successful operation of an American merchant marine. If it can be successfully established that all of those differentials are not as they are submitted by Mr. Lasker and his assistants, if it can be established by argument and by the record that we are in a position under economical and efficient private ownership to meet these alleged differentials without the imposition of these subsidies, then I submit that the case for this bill absolutely falls to the ground, for it is based and bottomed and predicated upon these five propositions. Mr. Lasker and the proponents of this bill say we can not successfully compete with Great Britain because of higher original capital cost, higher interest rates, higher insurance rates, higher labor, and higher subsistence.

Now, let us take the first proposition of original cost and analyze it for a moment and see if their assertion is sustained by the record. Understand, gentlemen, that from the statement made on the majority side here the great, pressing problem that we have to deal with in this legislation is to do something with this tremendous tonnage, this great fleet that the Government now owns. Of course, there are involved in it elements of future construction in the years to come, but that is the pressing and paramount question at the present time, the disposition upon favorable terms of the fleet of some 10,000,000 or 11,000,000 dead-weight tons of vessels that the Government now owns, and all the provisions of this bill are predicated upon that necessity.

Here is an outlay on the taxpayers of America during the days of the war, construction and outlay, of some three billions of dollars. It does not do any good now to go back into the history of that transaction. For the purposes of this debate



I am perfectly willing to admit that there were many great mistakes in policy, possibly, and that there was great extravagance and great waste in the disposition of the public funds; but I think a fair statement of that situation would require it to be observed that it was inevitable and to a large extent would have been the same had even the Republican Party been in control of affairs of the Government at that time. The American people were confronted with the desperate necessity of the construction of a great fleet as quickly as it could be done by human genius and human energy to win the war. We built up a complete fleet and spent three billions on it, and now we own it. This bill says that we want the fleet back again into private ownership. Mr. Lasker says that if you give us this bill he thinks he can sell to private owners within 30 months all the ships that are possible to be sold. It must be assumed that Mr. Lasker and other responsible attachés of the Shipping Board have made up their minds that we may be able to salvage the sum of \$200,000,000 for the fleet that cost us \$3,000,000,000. I am not complaining about that if we sell instantly, because any just man familiar with the maritime and shipping conditions must know the world over is under great depression in marine and international trade, and that the price of vessels is depressed to an extent never known before in the history of the world. As a matter of fact, I think the record shows that the current market quotations will show that good steel tonnage at the present time can be bought not only from the Shipping Board but from other sellers from one-third to one-half of what it would actually cost at the present time to reproduce them.

But a great many of us fully realized all the time that this great investment in these ships or a large proportion of it, and the expenditure incurred under extraordinary, unusual conditions was inevitable and has to be taken as a part of the loss of the war like many other war materials, and I for one have very grave doubts whether we would be able to salvage any material as a part of the \$3,000,000,000 so far as the Government control is concerned.

We should fairly recognize that as the present situation, but is that situation to endure permanently? Why should we take such a pessimistic attitude upon the recovery of the world and the rehabilitation of national trade and credit? Why should we not hope for a revival and an approach to normal conditions in the next few years? I admit that the situation temporarily seems very desperate, but I hope and believe that there will be ultimately and necessarily a revival of the trade conditions. If we can secure proper legislation, this can be effected so far as our participation in it is concerned. So the Shipping Board hopes to get \$200,000,000 for these ships, and from the standpoint of initial cost that is one of the things asserted in the evidence by the proponents of the bill; in fact it was stated that that was the primary differential that operated against the American competition. That was what they said operated against successful competition—the initial cost. They stated that Great Britain could manufacture steel vessels cheaper than America and therefore they would cost a private operator 25 per cent more if bought in this country than if he had the privilege of buying abroad. But, gentlemen, certainly for a long period of time the life of a well-constructed steel cargo ship or a passenger ship has a minimum life of some 20 years. Here the private ship operators, who expect to invest in a Government vessel, will have a period of at least 15 or 20 years, have the privilege of operating the ship for from 10 to 20 and in some cases 30 years.

They will have the privilege of operating these ships at that extraordinarily low initial cost for a long period of time. So that in the average length of the life of a steel vessel well constructed the operators will not have the overhead burden of a high initial cost. They will have conferred upon them even though this bill should not pass, which I hope it will not and which I believe it will not after it has received the full and fair consideration of the American Congress; even if this bill was not passed, from the standpoint of initial cost under the authority which the Shipping Board now enjoys, under the provisions of that same Jones bill I have referred to, it has the plenary power at the present time, regardless of the subsidy bill, without restriction, without limitation, to sell this splendid property of ours to these proposed private American ship operators at such cost as they may see fit in their discretion to sell it, and far below the cost of production. So that this bugaboo of high initial cost—certainly for a long period the high initial cost as an obstacle has been dissipated. I think that is a fair statement on that differential.

Mr. SNELL. Will the gentleman yield?

Mr. BANKHEAD. I will.

Mr. SNELL. As I understand from the statements made here, the ships we have now at present are not of sufficient

variety, so that it will be necessary to construct other ships. Those new ships will have to come into the increased cost, and how would you take care of that even if you did sell the ones that are already constructed?

Mr. BANKHEAD. I will say that under the existing law the Shipping Board has a fund of \$25,000,000 a year for a period of five years in order to meet that difficulty. You might amend the Jones law and increase the amount of that building fund and give it to these gentlemen who propose to build these new ships.

Mr. SNELL. Would the gentleman advise building them at a cost of \$150 to \$200 a ton and selling them at \$30 a ton right off rather than to give any subsidy or other aid?

Mr. BANKHEAD. The gentleman means new construction?

Mr. SNELL. Yes.

Mr. BANKHEAD. I certainly would not.

Mr. SNELL. That would be what it would amount to, would it not? I am asking for information, because I am interested in this.

Mr. BANKHEAD. I do not know what view the private operator of ships might take of it, but there is no use in the gentleman talking about any construction at the present time costing \$150 or \$200 a ton, because the world market construction price at this present time for the very best type of vessels is from \$50 to \$65 per ton.

Mr. SNELL. Can they be produced in this country for that figure at the present time?

Mr. BANKHEAD. I think so. There is no reason why they should not be. Mr. Chairman, the second element mentioned by Mr. Lasker in his summary of the obstacles is the question of interest. Under the terms of this bill as imposed now there is no limitation, no maximum limitation, as to what rate of interest the Shipping Board shall exact from those who purchase the present Shipping Board fleet. As long as the present personnel of the Shipping Board is in charge of the sales division and operation, taking the view they evidently do of this question of interest, they are proposing to sell these ships for a period of 15 years' credit, and they have the discretion to fix the interest charge at such sum as they please under existing law.

The gentleman well knows that this present Shipping Board is not going to exact any rate of interest that would be a disadvantage to the American operator over the British operator of ships. Not only that, from this standpoint of interest charge, as has been suggested by the gentleman from Wisconsin [Mr. J. M. NELSON] in his argument, but they are proposing here to amend the Jones law, which had only \$25,000,000 in its construction fund, and increase it to \$125,000,000, and they are to have the discretion to lend that money for a 15-year period at as low a rate as 2 per cent interest. Does the gentleman believe that this Shipping Board would charge more than 2 per cent when they are authorized to make the loan as low as that? Certainly not, because they are seeking to offer every possible financial inducement to the successful operation of an American merchant marine, and this revolving fund, this building and loan fund, is to go on in perpetuity; and so these aspiring gentlemen to whom the gentleman from New York [Mr. SNELL] refers may say, year after year, "We want to build up a palatial passenger vessel or a fine cargo vessel, and we have not the money, and we want to borrow it from the Government," and the United States Shipping Board would say, "All right, we believe in that, here is your money," and they will be able to get it at a rate of 2 per cent interest. Does the gentleman believe that our chief maritime competitor—Great Britain—or her financial and banking interests for the next two years will be in a position to offer money to the British shipper at that rate of interest? Certainly not.

Mr. J. M. NELSON. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. J. M. NELSON. I notice in the report of the joint committee of shipowners, ship operators, and shipbuilders, where they originally made their demand upon the Shipping Board for this subsidy, that they asked for only \$100,000,000. Why the extra \$25,000,000? Does the gentleman know?

Mr. BANKHEAD. Oh, well, out of an abundance of caution Mr. Lasker and his associates want to have a safe surplus, I presume. I was not familiar with the statement referred to by the gentleman, but that is what the bill proposes.

I have discussed the question of capital costs and the question of interest. I hope I have done it fairly. I do not want to present any unfair argument on this proposition.

The next element mentioned is that of insurance, but I am afraid that I am going to have to call my friend Mr. EDMONDS, of Pennsylvania, to the witness stand for a moment, if he is here. You remember that last February—at least, the gentleman from New Jersey [Mr. LEHLBACH] will, if he is



present—there was introduced from the Committee on the Merchant Marine and Fisheries a bill, known as the marine insurance act, upon which our committee had held very elaborate hearings, a bill which the Democrats in its final form advocated; and what did Mr. LEHLBACH and Mr. EDMONDS and the other sponsors of that piece of remedial and progressive legislation tell us would be its benefit? They told us that for a long period of time under existing law Lloyd's and other foreign marine-insurance companies have practically had a monopoly upon the insurance of American hulls, and they assured us when we brought in that American insurance act—which was passed by the Congress and is now a law—if we would pass it that under its operation that situation would be remedied and that there would be built up in the United States of America, under the generous and elastic provisions of that law, an insurance situation that would enable the American insurance companies to write practically all of our marine insurance on American vessels upon terms of absolute competition with all foreign companies. Is there anybody on the Republican side who will deny that statement?

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Does the gentleman deny it?

Mr. CHINDBLOM. Does the gentleman think it fair to say that after six months' operation of that law it should have produced insurance institutions in this country to take the place of the British insurance companies which have operated and have gotten the business for over 100 years?

Mr. BANKHEAD. Does the gentleman assert that if it is given a fair opportunity over a period of 30 months, or of 3 years, that it will produce the results that he and his colleagues claimed for it?

Mr. CHINDBLOM. I assert that if we give it a fair and reasonable time, it will accomplish a great deal of what was expected of it, but I assert that it is not fair to make the charge now, after six months, that it has proven a failure.

Mr. BANKHEAD. I did not say that I was limiting the benefit to a period of six months. I asserted that the gentleman's party—and my party voted with him on it, because we believed the assertions made by the witnesses in behalf of that bill—asserted that it would afford a vehicle through which American insurance written by American companies on American vessels could be procured on terms of competition equal to Lloyd's or anybody else, and I believe it now. Does not the gentleman?

Mr. CHINDBLOM. Yes; certainly; but give it time.

Mr. BANKHEAD. Then, that effectually disposes then of this proposition that there is competition in that line. [Applause on the Democratic side.]

Mr. CHINDBLOM. Will the gentleman yield? Does the gentleman mean to be understood as saying that after six months that law should have produced the result he anticipates?

Mr. BANKHEAD. Have I asserted that?

Mr. CHINDBLOM. Why does the gentleman mention that law as an argument against the proposition that at the present time insurance costs more in the United States than in England?

Mr. BANKHEAD. I was mentioning that law because Mr. Lasker, of the Shipping Board, said that not only for the present but for the future one of the elements operating against the American shipowner was that of insurance and insurance charges, and I assert that the gentleman's party brought in a bill here under the operation of which, when given a fair trial, there will be afforded adequate relief to the American insurer, and thereby effectively disposing of any disadvantage to the insurer of American ships and cargoes.

Mr. CHINDBLOM. Why, yes.

Mr. BANKHEAD. How long do you want?

Mr. CHINDBLOM. I certainly want more than six months.

Mr. BANKHEAD. We will give you three years; will that satisfy the gentleman?

Mr. CHINDBLOM. No; I am not sure that it will. [Laughter.] That is quite typical, derisive laughter when anybody asserts that an enormous business like the marine insurance business of America can be established in three years' time. You folks may think that that can be done, but it shows what business judgment there is on that side of the House.

Mr. BANKHEAD. Does it indicate any lunacy, I will ask the gentleman?

Mr. CHINDBLOM. It indicates a lack of comprehension of the necessity of a growing business for anybody to assert that a bill that has been in operation only six months is to be derided because it does not produce a large insurance business.

Mr. BANKHEAD. I never made any such assertion.

Mr. CHINDBLOM. Why, the gentleman is speaking about the law; what has that to do with the present situation?

Mr. BANKHEAD. I believe the gentleman has more than ordinary comprehension, and I was discussing it because it was

mentioned by Mr. Lasker as one of the preferentials, and that not only now but for the future would prevent the successful operation of an American merchant marine.

Mr. CHINDBLOM. Does the gentleman now assert that the passage of that law six months ago militates against Mr. Lasker's position?

Mr. BANKHEAD. I do not.

Mr. CHINDBLOM. Then what is the—

Mr. BANKHEAD. On the contrary, I am seeking in one instance to sustain the claim of the majority side that the marine insurance act will abolish the alleged unfavorable differential.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. BANKHEAD. I will yield.

Mr. DAVIS of Tennessee. I want to call attention to the fact that Mr. Lessner, a member of the Shipping Board, chairman of the subcommittee studying the marine-insurance problem, stated that while formerly there was a disadvantage on insurance against American owners such no longer existed by reason of the operation of the American bureau and other things which he mentioned, and there was no longer any disadvantage in that respect.

Mr. EDMONDS. Will the gentleman yield?

Mr. BANKHEAD. Very briefly.

Mr. EDMONDS. I want to make a statement. The gentleman well remembers in our committee when we were arranging in reference to an American insurance syndicate to take insurance little hull insurance was taken in. To-day that insurance syndicate takes practically 50 per cent of hull insurance at equal rates to that taken on the other side. I am not talking about cargo rates but hull-insurance rates.

Mr. BANKHEAD. The gentleman still thinks his bill will do what he promised to do?

Mr. EDMONDS. I am satisfied that the marine-insurance companies of this country are going to improve every year.

Mr. BANKHEAD. How long?

Mr. EDMONDS. About 10 years.

Mr. BANKHEAD. Therefore at the end of 10 years we hope there will be no differential. Take the next element—labor and subsistence. I want to say to you gentlemen, one of the conspicuous arguments heretofore—at least before these hearings began and the consideration of this bill commenced—one of the conspicuous arguments urged against the successful operation of an American merchant marine was the American seamen's act; that it was impossible on account of the labor differential, caused by that act, successfully to compete with foreign ships. We had a great deal of propaganda here that came to us through the mails on that line. In fact that was the chief argument. It was made down in my section of the country, and I have no doubt through all parts of the country. Those who were seeking to destroy the effectual provisions of the seamen's act were using it as an argument that it would make absolutely impossible the operation of an American merchant marine. That is the truth about it—and I am going to quote to you here, so there may be no confusion in the record, the statement of Mr. Albert Lasker, the chief proponent of this proposition on that question.

Mr. MOORE of Virginia. May I interrupt the gentleman just half a minute at that point?

Mr. BANKHEAD. I shall be glad to yield.

Mr. MOORE of Virginia. Did the gentleman understand the other day the President himself dwelt upon that as a very important argument?

Mr. BANKHEAD. I understand so. In fact—

Mr. MOORE of Virginia. The President dwelt upon that as a very important argument, as I heard him, and in fact stated that is the element of disadvantage that makes a subsidy necessary.

Mr. BANKHEAD. That is what the President suggested.

The CHAIRMAN. The gentleman has consumed one hour.

Mr. BANKHEAD. I shall take a little additional time. Now, let us see what the truth is about this thing. Let us clear the atmosphere, gentlemen, of all misunderstanding that may tend to becloud the real, legitimate issues involved in this matter, because I know that all gentlemen here are seeking a just and honest conclusion as to the merits of this proposition. Now, I asked Mr. Lasker, after testifying in chief upon this bill, this question.

Mr. CHINDBLOM. Will the gentleman refer to the page?

Mr. BANKHEAD. Page 43, volume 1, of the hearings. I read:

Mr. BANKHEAD. I understand from the President's address to Congress, and also from the statement that you have made, that you do not undertake to recommend or urge any material change in the seamen's act that now exists?



Mr. LASKER. You are right. I want to take occasion to say here that I think the seamen's act has been one of the most misrepresented acts of which I have ever heard. I came down to Washington believing, as most people in my part of the country do, if you repeal the seamen's act you would have a merchant marine. That is pure bunk.

Mr. BANKHEAD. That is the reason I asked the question, because for a long time those who were undertaking to give reasons why we could not operate successfully with our foreign competitors based their assertions exclusively on the discrimination caused by the seamen's act.

Mr. LASKER. I think they have gotten worn out on those representations.

Mr. BANKHEAD. I am glad to hear that.

That is what Mr. Lasker says. Does that satisfy you, gentlemen? Can you appeal to any higher authority on this question of the differential imposed by the provision of the seamen's act than Mr. Lasker, the chairman of the Shipping Board? If so, to what authority will you appeal? He tells you that, although, no doubt on account of false propaganda up in his section of the country, as he says, they have been led to believe that if you would but repeal the provisions of the seamen's act you would have a merchant marine; yet after full and careful and painstaking investigation—that is the inference that is to be drawn from his statement—he now asserts that it is "pure bunk."

That is a colloquial expression, but, reduced to its correct interpretation, it means that there is absolutely nothing in that contention and that he himself now believes that it is threadbare and discredited and worn out as an argument. And so certain are Mr. Lasker and the other members of the Shipping Board that there was no prejudice against the successful operation of the American merchant marine because of the seamen's act that they did not offer one single suggestion of an amendment to any of its provisions, but very gladly and cheerfully conceded that it was, under present conditions, a negligible factor in the entire maritime situation.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question there?

Mr. BANKHEAD. I will be glad to yield for a brief question.

Mr. SNELL. Do I understand that your contention is that the cost of labor under the terms of the La Follette seamen's law is no higher than that of our competitors?

Mr. BANKHEAD. That is my contention. I have not time to read it, but I will insert it in the extension of my remarks for the benefit of my friend from New York. And I imagine that my friend from New York is one of those who, along with a great many others in this country, on account of the reiteration and repetition of this formula about the seamen's act, has actually come to the conclusion that on account of the operation of the seamen's act itself there is an extreme and certainly substantial differential in cost on account of the act.

Mr. SNELL. I had no special reference to the provisions of the seamen's act, but I was under the impression that various other conditions made the cost of labor under the American flag much more than the cost under our competitors' flags.

Mr. BANKHEAD. What other labor?

Mr. SNELL. The total average cost of labor. Is not that so?

Mr. BANKHEAD. I would state to the gentleman from New York that the average cost of labor, for instance, in an American shipyard is somewhat higher, man for man, possibly 20 or 25 per cent higher, than what it is in a British yard; but the evidence before our committee, evidence given by experts who know something about labor conditions, men like Edgar Wallace, Patrick O'Brien, and Andrew Furuseth, who have studied these questions both here and abroad, shows that while that is true, yet it has been clearly established that on account of American superiority in organization and efficiency, although the labor cost differential is in favor of the Britisher, the output is equalized on account of American conditions and efficiency and energy. [Applause.]

And with the gentleman's permission I want to say that I propose to incorporate in the RECORD as a part of my remarks some reliable tables, as I think, that were submitted during the hearings on this bill, to show the comparative current labor charges in the actual operation of the crews of ships of America as compared with those of some of our chief competitors.

Mr. SNELL. That is what I was interested in, the comparative cost of operation.

Mr. BANKHEAD. I will insert that information, which shows beyond peradventure, as Mr. Lasker has shown here by his own testimony, that there is substantially no differentiation at the present time in the labor charges on American ships and on the ships of our competitors.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I will yield for a question.

Mr. GRAHAM of Illinois. I have observed some tables in the hearings that showed the comparative cost of operation on American ships and foreign ships in which the cost of labor on account of some additional members of the crew that were required and higher salaries aggregated about twice as much as on the foreign ships. My understanding was that that was the situation. I find that in the hearings offered, I think in the latter part of that second volume, by the proponents of the measure. Is that correct?

Mr. BANKHEAD. I do not know what is involved in all the tables offered by the proponents of the proposition, but I propose to insert in the RECORD some recent and current tables which I think are absolutely accurate and reliable which show that there is absolutely no substantial differential at the present time.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. CHINDBLOM. Are they in the hearings?

Mr. BANKHEAD. Yes; they are in the hearings, of course. All of the tables are in the hearings.

Mr. CHINDBLOM. I mean those that you propose to insert.

Mr. BANKHEAD. Yes. On the question of subsistence, which Mr. Lasker gives as his last element of unfavorable differential, as to the subsistence of the crew of an American ship and that of our competitors, in the first place some of the gentlemen may not know it, but it is a fact that the subsistence schedule upon an American vessel and upon a British vessel, the fare that they give to the men, the amount and volume and quality and quantity of food that is allowed, are not regulated by the whim or caprice of the operator of that ship but they are regulated by statute law. The law of the Congress of the United States fixes the subsistence scale of an American seaman. The British law fixes the subsistence scale of a British seaman.

I make the same observation with reference to the subsistence schedule that I made with reference to labor, that at the present time there is no differential substantially in the subsistence schedule between the American and the British ship.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I shall be glad to.

Mr. McDUFFIE. Are these tables inserted by operators themselves as to the cost of operating their ships?

Mr. BANKHEAD. The tables which I will insert in the RECORD are copies of the British and American statutes fixing the amount of food, in volume and variety.

Mr. McDUFFIE. That is as to subsistence?

Mr. BANKHEAD. Yes.

Mr. McDUFFIE. But as to other conditions, labor, for instance, I have asked several ship operators, who tell me that it is absolutely impossible to compete with foreign ship operators because of our having to comply with these laws which act to prohibit them from operating on the same cost basis. They say our cost of operation is higher than any other ship operation in the maritime world. What do they mean by saying that? Are they telling the truth, or are they trying to prejudice somebody against the seamen's act?

Mr. BANKHEAD. When they assert that there is any substantial differential, I do not believe that they are accurate in their statement. I do not assert that they are undertaking deliberately to deceive anybody. They may be doing it because of lack of information. It will be borne in mind in this connection that wage and subsistence combined constitute only 12 per cent of the total operating expenses of a ship.

Now, gentlemen, this disposes of all of these elements of opposition as far as the differential is concerned. I may possibly in the extension of my remarks elaborate them just a little.

I was very much astounded at a statement made by the distinguished gentleman from Ohio, Doctor Fess, when he was discussing the rule on this bill yesterday. He advanced an absolutely new and unique theory with reference to this proposed ship subsidy. He said in effect that if anybody was to be subsidized under the terms and provisions of this bill it would be American labor.

The inference that Doctor Fess no doubt sought to leave by that statement was that if anybody benefited by the terms of these subsidies that are to be taken out of the Treasury of the United States, it would be American labor. I presume he meant either those who work in American shipyards or those who operate as crews of American ships. Does any man in this audience, however credulous he may be, for one moment honestly believe that after the operators of these ships have gotten through with their profits and with their bookkeeping manipulation and with their tax returns and all that, they are



going to say, "All we want out of this proposition is to make ourselves whole on the initial cost of the operation, and if there is any profit left over at all we are going to pass it on to the man in overalls who is in our employment and let him receive the benefit of it"? Gentlemen, although that proposition comes from a pretty high and respectable authority, it certainly taxes the credulity of any man who wants to give fair consideration to the effect of this bill. If there are any dividends they will not be distributed through the pay window but from the directors' room. Gentlemen, I assert that there has never been proposed in the American Congress a single piece of legislation that bestowed upon the officials of this Government, just a handful of them, just a little group of executive appointees, such unusual, such extraordinary, and such shocking responsibilities and unlimited discretion as is bestowed by the provisions of this bill.

Mr. CRISP. Will the gentleman yield?

Mr. BANKHEAD. I will be glad to.

Mr. CRISP. I should just like to ask if the seamen will get the benefit of this in the same way that the pottery workers at East Liverpool, Ohio, who are now on strike, are getting the benefits of the Fordney-McCumber tariff bill? Under that bill the rates on pottery were increased from about 30 per cent to 60 per cent. Yet the workers in the potteries in East Liverpool are now on strike.

Mr. BANKHEAD. I imagine just about the same benefits will be bestowed. Do not let the gentleman from Ohio [Mr. FESS] deceive himself about labor in this country. The gentleman from Ohio knows that labor in America is intelligent. He knows that not only in their individual capacity but through their leaders they have men of capacity and of experience and of observation, who are studying these great questions of political economy as reflecting their interests. They are not fools. Does the gentleman from Ohio—who will soon be elevated to a still higher and more eminent position in the Government—believe that the laboring men of America are going to swallow his doctrine that they are the beneficiaries of this unconscionable substitute? If he does, I ask him why it is—

Mr. FESS. Will the gentleman yield? I want to ask him a question.

Mr. BANKHEAD. In just a moment I will yield. If the gentleman thinks that, why is it that the American Federation of Labor, through frequent resolutions of their national body, as well as the committee of the Seamen's Union, who have given more thorough and accurate study to this question than any other labor organization in the country—why is it that all labor organizations in this country—that is, the real labor organizations—are opposed to the substantial provisions and principles of this bill? There is the answer to the gentleman's assertion. Now I yield to the gentleman.

Mr. FESS. The American Federation of Labor thinks very much as the gentleman does, namely, that it wants Government operation and ownership, just as the gentleman wants it. I disagree with both the gentleman and the American Federation of Labor on that. In other words, there is a difference between giving the opportunity for employment and elevating the scale of wages by the possibility of employment rather than by dictation either through Congress or by resolution in the federation. Now, if the gentleman will yield further, the gentleman stated a while ago that there is not the differentiation between the cost of labor in our country and in Great Britain.

Mr. BANKHEAD. No; I did not say that. I said there was a differential.

Mr. FESS. I hold in my hand here—

Mr. BANKHEAD. I can not yield to the gentleman any further. The gentleman can get his own time. I do not want the gentleman to take my time to read a statement, and I hardly think that is fair. I yielded to the gentleman because I had referred to him, but not for the purpose of going into an elaboration of his argument, and for that reason I decline to yield further.

Mr. FESS. The gentleman asked me a question and I want an opportunity to answer it.

Mr. BANKHEAD. I decline to yield further. Not that I fear the substance of the gentleman's statement.

The CHAIRMAN. The gentleman declines to yield.

Mr. GARNER. Let me ask the gentleman from Alabama if he heard the statement of the gentleman from Ohio that the gentleman from Alabama favored Government ownership?

Mr. BANKHEAD. Did the gentleman from Ohio assert that I favored Government ownership?

Mr. GARNER. He did.

Mr. BANKHEAD. The gentleman from Ohio in that certainly made a most unwarranted statement, and he does not reflect my attitude at all on that question. I am absolutely

opposed to any form of permanent Government operation of anything that can be operated by private ownership.

Mr. GARNER. That is just as nearly correct as the gentleman from Ohio gets most of his statements.

Mr. BANKHEAD. Yes, but there might be occasions, and this is one of them, where a little temporary Government operation might be a more valuable expedient than the raid on the Treasury of the United States proposed by the gentleman from Ohio for the special benefit of a few ship operators on the American seaboard. [Laughter and applause.]

I said something about the extraordinary powers. It is an axiom that the power to tax is the power to destroy. Here they propose to take \$52,000,000 out of the Treasury of the United States. That is only partly true, because there are at least \$30,000,000 and probably \$45,000,000 provided you have \$450,000,000 import tariff duties paid at the customhouse—10 per cent of every dollar of the customs does not go into the Treasury of the United States but is turned over to the Shipping Board to pay this subsidy. But from the standpoint of a direct subsidy you know this bill not only provides for the payment of that but also authorizes the Shipping Board in its discretion, without any review in conscience or by any court or any board of appeals—gives to this small group of men in the Government service, in their cloistered quarters on the Potomac Park, the privilege and opportunity not only to pay the ship operators at least \$30,000,000 as a direct subsidy, but if in their judgment they see fit to do so, these seven men can double the amount and make it \$60,000,000. Why, gentlemen, are you on this side, however anxious you are to do a reasonable thing for the promotion of American merchant marine, going to give to that board the strange plenary power to impose that additional burden on the taxpayers of America? I do not say that the Shipping Board is corrupt, I do not charge them here to be men of bad character. I know that they are men whose judgment is fallible on facts and they may honestly be convinced themselves and so assert that this extraordinary extension of power is justified and that they should have the power under this bill of handing over \$30,000,000 in additional benefits to private interests.

Under this bill the Standard Oil Co. will operate their own tankers from the oil wells in Mexico and bring their products into the States. They will operate these tankers carrying their own goods for their own benefit, and under the terms of the bill the Standard Oil Co. will be handed out of the Treasury of the United States every year for 10 years at least the sum of between four and five million dollars, just for the privilege of hauling their own stuff in their own tanks.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. J. M. NELSON. Originally it was required that there should be one-third for the public service. Why was that cut out?

Mr. BANKHEAD. Because I asked the vice president of the oil company if he did not recognize that that was a pure subterfuge and if they had better not eliminate that from the bill and say that they were giving a pure subsidy. He said he thought so, and so we eliminated that subterfuge and piece of hypocrisy from the bill, and it now stands in the record and in the bill as a naked raid on the Treasury of the United States, to be handed over to the Standard Oil Co. for the purpose of carrying its own products and increasing its already enormously swollen profits.

The Steel Trust is in the same situation. The United Fruit Co., with its great line of steamers, sailing from the Tropics of South America, bringing fruit to sell to American consumers, at the end of the year will come up to the Treasury and say, "We have had so many tons and run so many miles, and now hand us as an additional Christmas present this sum of money out of the Treasury of the United States." [Laughter and applause.]

Gentlemen, you can not deny these figures. The gentleman from Pennsylvania made a statement with reference to it, and that is the reason I asked the question. I wanted to rivet it in the RECORD for the observation of the American people that that is one of the innumerable and unjustifiable propositions in this piece of legislation. Who is to foot the bill in the long run? It comes from the common, plain people of this country. If there is one cry that comes from those plain people to the Congress of the United States, it is to give them some relief from the exorbitant taxation.

Oh, yes; you exempt the laboring man, if he is married, to the extent of \$2,000 in the income tax and of a small pittance in addition if he has children. What do you do for this favored small group of American citizens? You say we will go down to Alabama or up to Michigan, go into the forge and the

blacksmith shop, and where the man is earning a little above the exemption make him put it in the Treasury of the United States, and say to these big fellows, "You don't have to pay any income tax at all on your earnings provided you fly the American flag." You give them the ships in the first instance, or you sell to them for less than 10 per cent of what they cost, bestow this splendid governmental property on them, hand it over to them for a negligible price, practically nothing, a little of what they cost the American taxpayer, and say to them, "If you have not got the money to pay it, we will extend credit for 15 years, let you wear the ship out in your trade, and keep that as the only security, and if you want to let the ship go on the rocks or turn it back, all right, you have had 15 years' operation." That is one of the unrestricted powers given to the Shipping Board—exemptions, special privileges, possibilities of favoritism—and the bill contains throughout innumerable instances of that kind.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. RANKIN. I understood the gentleman from Massachusetts [Mr. GREENE] to say in his opening argument this morning that the Federation of Farm Bureau Organizations had favored this bill. Did the gentleman notice a resolution inserted in the RECORD yesterday by Senator FLETCHER, from the National Board of Farm Organizations, unalterably condemning this measure?

Mr. BANKHEAD. I did. My attention was called to that. The resolution is dated Washington, D. C., October 19, 1922, and is passed by the National Board of Farm Organizations on that date. It has this assertion:

**SHIP SUBSIDY OPPOSED BY NATIONAL BOARD OF FARM ORGANIZATIONS.**

Ship subsidy in general and ship subsidy in particular as embodied in the Jones-Greene bill H. R. 12021 are emphatically opposed by the National Board of Farm Organizations.

Clear-cut opposition to the ship subsidy bill is expressed in the resolution adopted by the semiannual conference of the National Board of Farm Organizations, held at its headquarters, 1731 I Street NW., Washington, D. C., October 11-13. The resolution reads as follows:

"Whereas it is apparent that the question of granting subsidies to our merchant shipping will soon be brought to a vote in Congress; and

"Whereas the farmers of the United States have been traditionally opposed to the granting of such subsidies; and

"Whereas the plan embodied in the Jones-Greene bill, which is now under consideration, contains many provisions that are extremely objectionable and would, in our opinion, be detrimental to the best interest of the country as a whole, if enacted; Therefore be it

"Resolved, That this body record an emphatic protest against the passage of this proposed legislation."

Mr. J. M. NELSON. Mr. Chairman, the gentleman does not want to mislead anyone. That is the farm organization and not Mr. Howard's bureau.

Mr. BANKHEAD. No; this is the farm organization.

Mr. J. M. NELSON. Mr. GREENE merely stated that Mr. Howard, of the Federal Farm Bureau, appeared before the committee.

Mr. GREENE of Massachusetts. Mr. Howard, of the Federal Farm Bureau, testified before the committee.

Mr. BANKHEAD. I know that Mr. Howard, the president of the Federal Farm Bureau, appeared before the committee, and in a very thoughtless moment undertook to advocate this bill, and I say this with all justice to Mr. Howard, because I admire his ability. However, I call the attention of the gentleman from Massachusetts and of this body to the fact that frequently during the course of his cross-examination before that committee Mr. Howard asserted that the organization which he represented was fundamentally and absolutely opposed to any direct subsidy of ships or anything else, and he went further and said that in principle his organization was absolutely opposed to the granting of any exemptions from the payment of taxes. In other words, he said that his organization on principle was opposed to a subsidy of any sort, and I have no doubt, as the gentleman from Wisconsin well said this morning, that 99 per cent of the real active farmers of America, who have given any consideration to this proposition, if they were here would register their eternal protests against the provisions of this bill.

I wish I had the opportunity at this time to suggest an alternative proposition to this measure. I may have time under the 5-minute debate, and if I get 10 minutes I shall try to suggest something as a substitute for this proposition. This bill as now presented to the Congress of the United States is fundamentally wrong in principle. I am unwilling to have the party to which I belong placed in the false attitude that because we oppose this particular bill we are, therefore, opposed to the establishment and maintenance of a successful merchant marine. The State from which I come has a great port on the Gulf and great resources of raw material and manufactured products contributory to that port. The people of the great Mississippi Valley are interested in a merchant marine.

The members of my party have always stood for the development of the American merchant marine, and the truth of the business is that the greatest merchant marine America ever had, the most successful, was built up under Democratic administrations. We are not opposed to rendering reasonable assistance, but we are—I am at least—unalterably opposed to the principle of "robbing Peter to pay Paul," and that is what is involved in this proposition.

I am opposed to the proposition of saying to every taxpayer in America, except these few, that out of their labor and energy and toil there shall be taken anywhere from fifty to one hundred million dollars a year, to be handed over to some 50 or 60 private operators and corporations in this country. I believe that that principle is violative of sound ethics. I believe it to be absolutely immoral from the standpoint of political philosophy, and I trust that upon calm reflection the Congress of the United States may not by specious appeal be led into the blunder of enacting this intolerable piece of legislation. [Applause on the Democratic side.]

The tables with reference to the various wage scales referred to follow. This report was published at the time for the use of the Senate Committee on Commerce. It is recited in this article that the investigation and inspection service of the Department of Labor conducted an extensive investigation to ascertain the relative wages paid to seamen on American vessels and on foreign vessels trading in American ports. They examined the ship's articles of the various ships so that their information is absolutely reliable. I quote from the article as follows:

The investigation shows that a decided increase took place in seamen's wages everywhere after the enforcement of the seamen's act.

On March 4, 1915, Congress passed the seamen's act, the main purposes of which were to equalize wages on all ships entering or leaving American ports and to make conditions aboard ship such that Americans would again take to the sea in great numbers.

About the time of the passage of the seamen's act, seamen's wages in New York differed from those in foreign ports as follows: Seamen's wages in New York were about 20 per cent higher than wages paid in Liverpool; about 22.5 per cent higher than in the North Sea or the Atlantic ports on the Continent of Europe; about 30 per cent higher than wages paid in the Inner Mediterranean or Baltic.

Everybody agreed that wages had to be equalized, but in what direction? Should Congress follow the old idea of lowering wages to the lower foreign standard? This had caused and would continue to cause our men to abandon the sea. Or should Congress adopt measures to raise the wages of all maritime nations to the higher American standard? The latter course was wisely adopted and soon proved the contentions of its champions.

**MONTHLY WAGES OF SEAMEN AND FIREMEN ON AMERICAN AND FOREIGN VESSELS.**

Beginning July, 1916, the seamen's act became operative on all foreign vessels. In the second half of 1915, the year in which the act was passed, wages paid seamen and firemen on ships clearing from New York had been, as far as available, as follows:

*Wages paid seamen and firemen on vessels clearing from New York in 1915.*

Nationality.	Date.	Seamen.	Firemen.
	1915.		
American.....	June 30.....	<sup>1</sup> \$29.70	<sup>2</sup> \$39.34
British.....	July.....	<sup>3</sup> 30.00	<sup>4</sup> 40.00
Dutch.....	November.....	30.00	35.00
Danish.....	December.....	28.20	32.99
Swedish.....	November.....	30.00	35.00
		20.25	<sup>4</sup> 22.95

<sup>1</sup> 93 ships.  
<sup>2</sup> 90 ships.

<sup>3</sup> Union scale.  
<sup>4</sup> \$6.75 bonus on round trip.

In 1916, the year in which the act became operative on all foreign ships, the tendency to pay the American wage immediately became apparent, as the following table illustrates:

*Wages paid seamen and firemen on American and foreign vessels in 1916.*

Nationality.	Date.	Seamen.	Firemen.
	1916.		
American.....	June 30.....	<sup>1</sup> \$45.00	<sup>1</sup> \$50.00
	.....do.....	<sup>2</sup> 43.88	<sup>3</sup> 48.95
British.....	March.....	30.00	35.00
	July.....	45.00	50.00
Dutch.....	.....do.....	45.00	50.00
Danish.....	June.....	45.00	45.00
	July.....	45.00	50.00
Swedish.....	.....do.....	20.25	<sup>4</sup> 22.95
French.....	November.....	19.30	<sup>5</sup> 25.09

<sup>1</sup> Union scale.  
<sup>2</sup> 93 ships.  
<sup>3</sup> 92 ships.

<sup>4</sup> Plus bonus of \$9.45.  
<sup>5</sup> Plus bonus of \$3.86.

The high cost of living and the increased perils of submarine warfare brought about substantial increases in the year 1917 for both seamen and firemen and resulted in their wages being equalized, first on American vessels and later, especially in 1918, on practically all foreign ships as well. In addition to the regular increase in wages American shipowners paid bonuses ranging from 25 per cent to more than 100 per cent. Thus the American rate again led, but foreign



rates soon adjusted themselves, so that at the end of 1918 the rates were practically equalized, with the exception of the French. This exception is due to the fact that the French merchant marine is controlled by the French Government and manned through the "inscription maritime." The following table shows the continued process of equalization in 1917 and 1918:

Wages paid seamen and firemen on American and foreign vessels in 1917 and 1918.

Nationality.	Date.	Seamen.	Firemen.
1917.			
American.....	June 30.....	\$57.58	\$60.55
.....do.....	.....	\$60.00	\$60.00
.....	Aug. 1.....	\$60.00	\$60.00
English.....	April.....	45.00	50.00
Dutch.....	October.....	55.92	58.40
.....	March.....	65.00	70.00
Danish.....	.....do.....	45.00	\$50.00
.....	May.....	56.00-60.00	\$60.00
Swedish.....	November.....	20.25	\$22.95
French.....	August.....	21.23	\$27.02
1918.			
American.....	May.....	75.00	\$75.00
British.....	October.....	55.92	\$58.40
.....	February.....	60.00	60.00
Dutch.....	November.....	70.00	70.00-75.00
Danish.....	October.....	75.00	75.00
.....	March.....	20.25	\$22.95
Swedish.....	December.....	75.00	75.00
.....do.....	.....	75.00	75.00
Norwegian.....	.....	27.98	\$33.75
French.....	May.....	27.98	\$33.75

<sup>1</sup> 93 ships.

<sup>2</sup> 92 ships.

<sup>3</sup> Union scale.

<sup>4</sup> Shipping Board scale.

<sup>5</sup> Plus 50 per cent bonus.

<sup>6</sup> Plus \$27 bonus.

<sup>7</sup> Plus \$3.86 bonus.

<sup>8</sup> Plus 50 per cent bonus in war zone.

<sup>9</sup> Plus \$14.60 bonus in war zone

<sup>10</sup> Plus \$2.90 bonus.

The signing of the armistice brought about more definiteness and regularity in the wage rates. Bonuses had varied from month to month and even from ship to ship, depending upon the nature of the cargo and the length of the voyage, as well as the destination. In order to ascertain whether the equalization was artificial or only temporary, a survey was made between January 15 and February 15 of wages paid on foreign vessels leaving New York within that time, the result of which was that the American rate seems to have become the standard rate.

The following ships paid the American rate of wages—that is, \$75—for both seamen and firemen: American, Canadian, Danish, Dutch, Norwegian, Russian, Swedish. Belgian ships paid \$70.56 for seamen and \$73 for firemen. One Greek ship paid the flat rate of \$70, while a Spanish ship paid \$40. The French rate had not advanced beyond the rate fixed in May, 1918, namely, \$30.88 for seamen and \$36.68 for firemen. Lowest of all were the rates paid on Japanese ships. Although almost twice as high as those paid on the Pacific, the Atlantic rates were only 40 yen (about \$20) for both seamen and firemen. A tabulation of these figures brings out the results more clearly.

Wages paid seamen and firemen on American and foreign vessels in spring of 1919.

Nationality.	Seamen.	Firemen.	Nationality.	Seamen.	Firemen.
American.....	\$75.00	\$75.00	Greek.....	\$70.00	\$70.00
Belgian.....	70.56	73.00	Japanese.....	20.00	20.00
British.....	70.00	73.00	Norwegian.....	75.00	75.00
Canadian.....	75.00	75.00	Russian.....	75.00	75.00
Danish.....	75.00	75.00	Swedish.....	75.00	75.00
Dutch.....	75.00	75.00	Spanish.....	40.00	40.00
French.....	30.88	36.88			

<sup>1</sup> This rate has since been advanced. See pp. 133 and 134 of this issue of the Review.

<sup>2</sup> Including bonus.

<sup>3</sup> Cf. also table on p. 146 of this issue of the Review.

A number of Scandinavian ships were paying their seamen and firemen 75 krona (\$20.10) per month. A Norwegian captain who was interrogated explained that this was the rate paid by the Scandinavian ships in Scandinavian ports, but that bonuses had to be added to this, bringing the total pay up to 300 krona, or \$80.40 in American money. Instead of paying the high bonuses they preferred paying the American flat rate of \$75.

#### WAGES AND MANNING OF AMERICAN SHIPS IN COMPETITION WITH FOREIGN VESSELS.

(By Andrew Furuseth.)

Comparative study of wages and manning on American ships and foreign ships of the same tonnage and class reveals the following facts:

1. American seamen's wages have been deflated more violently than those of any other nation.

While American seamen have had their wages reduced by amounts ranging from \$20 to \$40 per month (27 to 53 per cent), the wages of Japanese seamen have been increased 45 per cent, the wages of Australian seamen increased by 9 per cent, and the wages of Chinese increased by an amount not yet accurately reported.

2. As a result of these reductions the wages of American seamen are now much lower than the wages of Canadian and Australian seamen; are practically on a level with British wages; and are substantially higher than the wages only of Japanese among the principal maritime nations.

3. The size of American crews has been reduced by the order of the Shipping Board, effective December 10, 1921, to such an extent that American crews on vessels of the same class and tonnage are now 23 per cent smaller than British crews and 70 per cent smaller than Japanese crews.

4. The reduction of the size of American crews under the Shipping Board's order has been particularly drastic as regards the number of able and ordinary seamen who are essential to the safe and efficient operation of the vessels.

5. As a result of this drastic reduction in the number of seamen the actual monthly wage cost of seamen upon a British ship is now 54 per cent higher than upon an American Shipping Board vessel of the same class and tonnage.

6. The only real advantage in wages or salaries which the British shipowner now enjoys as compared with the American is in the lower salaries paid deck and engineer officers.

Taking an American and British vessel of the same class and tonnage, the monthly salaries of officers (exclusive of master) on the British vessel will be \$801.90, as compared with \$1,080 on the United States Shipping Board scale. The monthly wages of the balance of the crew are as follows: British, \$1,568.61; American, \$1,342.

Thus, while the total monthly salary cost of officers (exclusive of master) on the British vessel is \$278.10 lower than on the American vessel manned according to the Shipping Board scale, the monthly wage cost of the crew is \$226.61 higher on the British vessel.

If the crew on the American vessel is paid the lower scale of the American Steamship Owners' Association, the difference becomes more marked. The salaries of officers (exclusive of master) on the British ship are then \$228.10 lower than on the American privately owned vessel, but the wages of the British crew are \$403.61 higher.

7. The present policies of the United States Shipping Board and American private owners as regards manning and wages are dangerous to safety of life and vessels, inimical to operating efficiency, and destructive of the American merchant marine.

Evidence in support of above conclusions: The data upon which the following study of wages and manning on American ships, as compared with foreign vessels, is based are derived from authentic sources. The statements with regard to American wages are based upon the wage scales authorized and put into effect by the United States Shipping Board, the American Steamship Owners' Association, and the Steamship Owners' Association of the Pacific coast. The statements regarding seamen actually employed at wages below the above-mentioned scales are based upon affidavits of men so employed and first-hand statements of men who investigated the particular cases cited. The statements with regard to British wages are taken from the agreement entered into between the British Shipping Federation and the British maritime unions, due allowance being made in each case for the reductions of 30s., effective March 1, 1922. The statements with regard to Japanese wages are based upon the statement of the manager of one of the largest Japanese steamship companies. The statements regarding manning are derived from official orders promulgated by the United States Shipping Board, from the original articles of ships sailing in the British and American trade, and from an article published in the Pacific Marine Review (a shipowners' journal).

American seamen's wages have been deflated more violently than those of any other nation; American shipowners, including both the United States Shipping Board and the private owners, have led the world in forcing drastic reductions of seamen's wages. This is true, not only as regards the amount of the reductions, but also the time at which reductions took place.

After the passage of the American seamen's act and throughout the entire period of the war the wages of American seamen rose steadily, and the wages of other nations followed until they were practically equalized during the war period. The following extracts from an official report of the investigation and inspection service of the United States Department of Labor gives a brief and authentic report of the course of wages during this period:

"The high cost of living and the increased perils of submarine warfare brought about substantial increases in the year 1917 for both seamen and firemen and resulted in their wages being equalized, first on American vessels and later, especially in 1918, on practically all foreign ships as well. \* \* \* The American rate led the pace, and foreign rates soon adjusted themselves so that at the end of 1918 the rates were practically equalized with the exception of the French. This exception is due to the fact that the French merchant marine was controlled by the French Government and manned through the 'inscription maritime.' \* \* \* The signing of the armistice brought about more definiteness and regularity in the wage rates. \* \* \* The following ships paid the American rate of wages—that is, \$75, for both seamen and firemen (January, 1919): American, Canadian, Danish, Dutch, Norwegian, Russian, Swedish; Belgium and British paid the British rate of \$70.56 for seamen and \$73 for firemen."

In the spring of 1919 the American rate of wages was made \$85 for sailors and firemen on the Atlantic and \$90 on the Pacific. This was renewed in 1920. The seamen did not ask for more wages, but for regulation of working hours and recognition. After a lockout lasting about 20 days the shipowners refused recognition but gave the advance in wages.

In the spring of 1921 the United States Shipping Board and the private owners of the United States initiated reductions in the wages and working conditions of American seamen. They not only abolished payment for overtime, but reduced the wages of all classes of employees upon American ships. The British shipowners at about the same time attempted to reduce the wages of British seamen, but their efforts were resisted by the British maritime organizations. The shipowners demanded a reduction of £4 10s. (\$21.87), but agreed to a reduction of only £2 10s. (\$12.15), and did not abolish the payment for overtime. On March 1, 1922, after the American wage cuts were made, the British put into effect a further uniform reduction of 30s. (\$7.30) in the wages of all classes of men employed on their ships.

In the meantime, however, the American private owners and the United States Shipping Board had made a further reduction in the wages of American seamen, effective at different dates in January and February, 1922. The Shipping Board had also greatly increased the amount of work imposed upon the men who man its vessels by reducing the size of the standard crew in December, 1921, a matter to which reference will be made hereafter. Furthermore, a large number of American vessels, including both privately owned ships and vessels of the United States Shipping Board, are not paying even the greatly reduced wages provided in these scales, but are hiring seamen at the lowest rate at which men driven by hunger and unemployment will agree to ship. Able seamen are now being hired for service in the Atlantic trade at rates ranging as low as \$25 per month.

They are not doing it. When I speak of the Shipping Board not paying it, I mean particularly the vessels belonging to the Shipping Board that are chartered on bare-boat basis; in other words, what is called bare-boat charter.

While the British and American owners were thus reducing wages of seamen, the wages of Japanese and Australian seamen were increased. The increase in Australian wages was made by the Federal Arbitration Board on December 22, 1921, after extensive hearings, and the Commonwealth Steamship Owners' Federation agreed to put the award

into operation automatically. This award provided "for increases of 26s. 8d. (\$6.42) per month for all ratings." The increase in Japanese wages has taken place as a result of the organization of the Japanese seamen. The last increase secured by the Japanese amounted to 27 per cent. The total increase since 1919 in Japanese wages amounts to approximately 45 per cent. The wages of Chinese seamen have also been increased as a result of a great strike, which has just been settled, but the newspaper dispatches of March 24, 1922, while stating that the strike was settled by increases granted by an arbitration board, do not mention the amount of the increase. They do show, however, that the Chinese seamen's union was accorded recognition, which American shipowners now refuse to grant to the American seamen's union.

The total effects of these reductions in wages which have taken place since 1920 are summarized in the following table:

Comparison of reductions since 1920 of seamen's wages.

	1920 rates.	Present rates.	Amount of reduction.
American:			
Shipping Board scale.....	\$85.00	\$55.00	\$30.00
Atlantic coast owners' scale.....	85.00	47.50	37.50
Pacific coast owners' scale.....	90.00	65.00	25.00
Actually paid—Atlantic.....	85.00	35.00	50.00
British agreement.....	70.56	51.09	19.47
Japanese.....	20.00	29.00	9.00

<sup>1</sup> Decrease.

<sup>2</sup> Increase.

The wages of American seamen are now much lower than the wages of Canadian and Australian seamen; are practically on a level with British wages; and are substantially higher than the wages only of Japanese among the principal maritime nations. The wages paid able seamen and firemen on American, British, and Japanese ships at the present time (March, 1922) are set forth in the following table:

Able seamen and firemen, comparison of present wages.

	Able seamen.	Firemen.
American:		
Nominal scale—		
U. S. Shipping Board.....	\$55.00	\$57.50
American Steamship Owners' Association.....	47.50	50.00
Pacific Coast Owners' Association.....	65.00	65.00
Actual wages paid on Atlantic coast.....	30.00-40.00	35.00-45.00
British <sup>1</sup> .....	51.09	53.57
Japanese.....	28.50-29.00	28.50-29.50

<sup>1</sup> Scale fixed by agreement between British Shipping Federation and unions.

It will be noted that in the above table reference is made to the "nominal scales" paid by the United States Shipping Board and the shipowners' associations. This arises out of the fact that none of these scales are actually binding upon the shipowners, inasmuch as they are not made by agreement with the seamen's union, but are merely published by the board and by the associations. There is no power to enforce them.

As a matter of fact, the ships, particularly in the Atlantic trade, are paying wages far less than the scale. For example, on February 18 the steamship *Castleton* (3,328 tons), owned by the United States Shipping Board and operated by the Munson Line, shipped six able seamen from Norfolk for Cuba at \$40 per month, or \$15 less than the Shipping Board scale. The steamship *Osage* (7,800 tons), owned by Moore & McCormick, shipped able seamen from New Orleans for the Pacific coast at wages of \$30 per month. The steamship *Rajah* (2,300 tons), operated by W. H. Cowley, of New Orleans, trading between Mexico and New Orleans, shipped able seamen at a rate of \$35 per month. The steamship *Mariana*, of the Porto Rican Line, sailed from Norfolk to the West Indies February 22, 1922, with able seamen hired at a rate of \$30 per month. Additional statements with regard to a large number of vessels are available showing the employment of able seamen at rates ranging from \$25 to \$45 per month.

It should be noted that both Canadian and Australian wages are higher than any of the scales specified above for American seamen. The wages of Canadian seamen were reduced on February 1, 1922, \$10 a month, but still remain higher than the wages of American seamen. There are three classes of Canadian seamen. The first class now receive \$75 per month, the second class \$70 per month, and the third class \$65 per month. The wages of Australian seamen are now the highest paid anywhere in the world as a result of the award of the Federal Arbitration Board of December 22, 1921, which was accepted by the Australian shipowners. Able seamen on Australian ships now receive \$77.11 per month, and firemen receive \$86.85.

The compensation received by British seamen is actually larger than the amounts shown in the table, inasmuch as they are entitled to benefits for unemployment, sickness, and accident, which American seamen do not enjoy, and which add materially to the compensation of British sailors. Even more important is the fact that British seamen, as well as Canadian and Australian, are given extra compensation for overtime, which has been abolished on every American ship.

Information regarding the present wages of Danish, Norwegian, and Swedish sailors is not included above, inasmuch as the rates paid on vessels of these nations are now in process of readjustment, and accurate information is not available. According to the latest accurate reports, however, covering the last half of the year 1921, the wages of seamen in these countries were higher than American wages.

The situation as regards American seamen's wages is conservatively stated in an article entitled "Equalizing seamen's wages," published in the *Annalist*, a New York financial journal, March 6, 1922, from which the following is quoted:

"Wages paid American seamen have been cited for years as the final proof that it costs more to operate a ship under the American flag than under a foreign flag. Probably no more misleading fact could be presented for proof of the case, as wages are not the final arbiter of Ameri-

can ship costs. In the first place, wages represent probably not more than 7 per cent of the total cost of operating ships (probably 15 per cent of the total cost in the case of luxurious passenger lines, where the number of servants supplied is considerably augmented). Secondly, American crews are no larger than the crews of many foreign ships, and, finally, the wage to-day paid a licensed American seaman is practically on a par with the British wage."

American crews on vessels of the same class and tonnage are now 23 per cent smaller than British crews and 70 per cent smaller than Japanese crews.

The United States Shipping Board has taken the initiative in reducing the size of the crews carried by American vessels, and as a result American ships to-day are greatly undermanned as compared with the vessels of all other nations.

The following table shows in detail the difference in number of unlicensed members of the crew required to man 8,800 dead-weight ton coal-burning cargo ships under various flags. The crew specified for the American ship is taken from the order of the United States Shipping Board on "normal manning requirement," effective December 10, 1921. The figures for the other nations are taken from an article published in the *Pacific Marine Review* (a shipowners' journal) for January, 1921, page 38. A study of the crews actually carried by British and Japanese ships indicates that the crews specified in this article are actually much smaller than the number normally carried.

American:	
Deck department—	
Carpenter-boatwain.....	1
Able seamen.....	6
Ordinary seamen.....	2
Total.....	9

Engine department—	
Oilers.....	3
Firemen.....	9
Coal passers.....	3
Total.....	15

Steward department—	
Chief steward.....	1
Chief cook.....	1
Second cook.....	1
Messboys.....	3
Total.....	6

Total of unlicensed crew of American..... 30

British:	
Deck department—	
Carpenter.....	1
Boatswain.....	1
Able seamen.....	10
Ordinary seamen.....	2
Total.....	14

Engine department—	
Deck engineer.....	1
Storekeeper.....	1
Oilers.....	3
Firemen.....	8
Coal passers.....	4
Total.....	17

Steward department—	
Chief steward.....	1
Chief cook.....	1
Second cook.....	1
Utility man.....	1
Messenger.....	1
Messboy.....	1
Total.....	6

Total of unlicensed crew of British..... 37

Japanese:	
Deck department—	
Quartermaster.....	3
Carpenter.....	1
Boatswain.....	1
Able seamen.....	6
Ordinary seamen.....	6
Total.....	17

Engine department—	
Deck engineer.....	1
Storekeeper.....	1
Oilers.....	6
Firemen.....	12
Coal passers.....	8
Total.....	28

Steward department—	
Chief steward.....	1
Chief cook.....	1
Second cook.....	1
Messengers.....	3
Total.....	6

Total of unlicensed crew of Japanese..... 51

For a vessel of the same size, therefore, the British ship will carry in its unlicensed crew seven men more than the American ship. This is an increase of 23 per cent. The Japanese ship will carry 21 men more, or an increase of 70 per cent.



As a matter of fact, the difference in the size of the total crew will actually be still larger, inasmuch as the British ship will carry at least one more deck officer than the American ship.

The reduction of the size of American crews under the Shipping Board's order has been particularly drastic as regards the number of able and ordinary seamen, who are essential to the safe and efficient operation of the vessels.

The reductions which have been made by order of the United States Shipping Board in the size of American crews have been directed primarily at the deck and engine departments, which are obviously the two departments most essential to the safety and efficiency of the vessel. In order to show this clearly, the following brief table has been prepared:

Comparison of unlicensed crew required to man an 8,800 dead-weight-ton coal-burning cargo ship under various flags.

[American figures official from regulations of United States Shipping Board December 10, 1921; other countries from Pacific Marine Review, January, 1921.]

	Total unlicensed crew.	Deck department.	Engine department.	Steward department.
American.....	30	9	15	6
British.....	37	14	17	6
Japanese.....	51	17	28	6

It will be seen that the deck department of the British ship contains 55 per cent more unlicensed men than the American ship, while the Japanese ship contains 89 per cent more. The British engine-room crew, it is true, is only a little larger than the American, but the Japanese engine-room crew is nearly twice as large. The steward department, which has nothing directly to do with the efficiency of the vessel, is of the same size under all three flags.

The actual monthly wage cost of seamen upon a British ship is now 54 per cent higher than upon an American Shipping Board vessel of the same class and tonnage. This, of course, takes into consideration the difference in the manning of the vessels and the wage cost is calculated according to that.

The seamen are the real source of sea power and maritime supremacy. Every great maritime nation knows this. It is the seamen who are responsible for the efficient navigation and safe conduct of the vessel. They are also the basis of naval power, since every navy must, in the last analysis, be recruited from its merchant marine.

It is for this reason that the British, who have had centuries of experience upon the sea, and who are long-headed enough to know how to maintain maritime supremacy, have refused to cut the number of able seamen who man their vessels, in spite of the great temptation of greater immediate profits through undermanning.

The following table compares the cost of the seamen actually carried by the British steamship *Carrigan Head* and the manning for the same vessel prescribed by the United States Shipping Board:

	British.			American.		
	Number carried.	Monthly wages.	Total cost.	Number carried.	Monthly wages.	Total cost.
A. B. and lamps.....	1	\$53.46	\$53.46	.....	.....	.....
A. B. seamen.....	7	51.03	357.21	4	\$55.00	\$220
Ordinary seamen.....	2	27.95	55.92	2	40.00	80
Total.....	10	.....	466.59	6	.....	302

Mr. HARDY. That is the deck crew?

Mr. FURUSETH. That is the deck crew, sir.

Although the British scale for individual seamen is a little lower than the Shipping Board scale, the cost of seamen under British manning is actually \$164.59 per month (54 per cent) higher than the American cost.

There is no doubt whatever that the apparent saving for American shipowners through this arbitrary reduction in the number of seamen carried is more than compensated for by inefficient operation and by constant repairs, due to the inability of so small a crew to maintain the upkeep of the vessel while it is at sea.

The only real advantage in wages or salaries which the British shipowner now enjoys as compared with the American is in the lower salaries paid deck and engineer officers. In order to make possible an exact comparison of the manning and wages of British and American vessels under present conditions, a transcript of the articles of the British steamship *Carrigan Head* was secured, showing the number of men carried and the wages paid to each man.

The following table compares the manning and wage cost of this vessel under British and American conditions:

	British.		American.		
	Number carried.	Total monthly wages.	Number carried.	At scale of American Steamship Owners' Association.	At scale of American Steamship Owners' Association.
Master.....	1	.....	1	.....	.....
First mate.....	1	\$109.35	1	\$160	\$155
Second mate.....	1	94.77	1	140	130
Third mate.....	1	77.76	1	125	115

	British.		American.	
	Number carried.	Total monthly wages.	Number carried.	Total monthly wages.
Fourth mate.....	1	\$72.90	0	.....
Carpenter.....	1	63.18	1	\$70
Boatswain.....	1	58.32	1	\$70
Able-bodied and lamps.....	1	53.46	0	.....
Able-bodied seamen.....	7	357.21	4	222
Ordinary seamen.....	2	55.92	2	80
Chief engineer.....	1	160.38	1	230
First engineer.....	1	116.64	1	160
Second engineer.....	1	92.34	1	140
Third engineer.....	1	77.76	1	125
Storekeeper.....	1	58.32	0	.....
Donkeyman.....	1	58.32	0	.....
Greaser.....	1	55.89	0	.....
Oilier.....	0	.....	3	195
Firemen.....	9	481.14	6	345
Coal passers.....	0	.....	3	150
Chief steward.....	1	72.90	0	.....
Second steward.....	1	47.40	0	.....
Messroom steward.....	1	46.17	0	.....
Assistant steward.....	1	43.74	0	.....
Ship's cook.....	1	68.04	0	.....
Cook and steward.....	0	.....	1	105
Second cook.....	1	48.60	1	70
Mess boys.....	0	.....	3	105
Total.....	39	2,370.51	32	2,422

<sup>1</sup> Not provided for in American Steamship Owners' Association scale, but given top rate paid by Shipping Board.

Mr. GREENE of Massachusetts. Mr. Chairman, I ask unanimous consent that all those who have spoken or who will speak on this measure be granted leave to extend and revise their remarks in the Record.

The CHAIRMAN. The gentleman will have to make that request in the House.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WATSON].

Mr. WATSON. Mr. Chairman, no act since the armistice that has been placed upon the statute books in favor of constructive legislation will strengthen the power and wealth of the Republic and add to its influence over the nations of the world as the enactment of the present bill. America has the favored location on the globe. Its climatic and scenic conditions give an impulse to inspire its people for personal independence and political power. After the World War we suddenly became the foremost of all nations. America is the hope of the world for future peace. England, the greatest nation of modern times, has through its policies accomplished more than any other country in civilizing the world. It did it by a merchant marine. Balfour, one of the most devoted Englishmen, and who loves his country, upon leaving the shores of America for home after the peace conference, said: "Up to this time we called ourselves equal, but no longer, America leads the world."

The shore line of the United States, not including outlying territories, is 21,862 miles, with harbors and ports unexcelled. These natural advantages are open to all maritime countries, and thus we allow the most important factor tending to strengthen the power of our country to lie idle, and to permit that energy to benefit foreign countries, enlarging their wealth and influence in opposition to that of America. I can not conceive an American, wherever he may live or whatever his political mind, opposing the building of a merchant marine which must inure to the prosperity of his country.

The Congress deemed it wise to pass a bill known as "the seamen's act," which should be commended as humane legislation. This law, however, combined with the pay given to the American seamen, prevents the maintenance and expansion of foreign trade of the United States by the ownership and operation of privately owned vessels except through financial assistance by the Government. Shall we command in part the ocean transportation? We can not under the present laws; we can not without Government aid; we can not unless Congress passes such laws as will enable American citizens to operate vessels at least at a reasonable profit. We have a Navy to protect our coasts. It would be greatly weakened in time of war without merchant ships as auxiliaries. In the early history of railroads the Government rendered aid to railroad com-

panies to enable them to build extensions in the far West that had not been developed and where the country was almost uninhabited. This policy has put millions upon millions in the United States Treasury. Federal financial support has not been unknown in the history of our Republic. Excessive sums were paid to vessels for transporting the United States mails, which in fact was a subsidy, and under this plan a large American fleet was established. We need American vessels to carry American commodities to every port of the world. It cost the taxpayers \$3,000,000,000 to build vessels under the power given to the United States Emergency Fleet Corporation. This one item represents nearly three times as much as was expended in operating the Government the year previous to the war.

We have about 338 steel vessels in service, 40 in temporary service, and 997 tied to the docks. It cost the Government \$50,000,000 yearly to operate them, and over \$11,000,000 have been paid for repairs, and those at anchor are fast depreciating. If we fail to pass this bill the American fleet will be almost a total loss. Two hundred and twenty-seven wooden vessels, costing over \$300,000,000—and of this number 217 were sold the other day for \$700,000—to be scrapped. To place all the American fleet in service and to keep it in operation under this bill will require about \$20,000,000, less than one-half now appropriated to keep 338 vessels commercially afloat.

The opponents argue that this bill is a selfish one, rendering Government aid only for the benefit of private shipping interests. I am not in accord with this statement, as I believe the bill, when it becomes law, will be in the interest of every American citizen. All new constructive acts can not be perfected or completed in their legislative features, but this measure meets the condition of the times and future legislation will amend wherein this bill is deficient. Every dollar paid for passengers and freight to foreign vessels benefits the country where the vessel is registered. Why should America pay millions and millions of dollars yearly in interest of foreign merchant marine instead of encouraging transportation in American-flag ships?

The World War brought us nearer to all nations, and when we were conscripted our boys to fight side by side with our allies for a common cause we accepted foreign responsibilities and the entanglements arising therefrom. What may be a grave national question will be an international one for all, and America can not withdraw from its duty. To hold the position we now enjoy and to protect our commercial interests we must not lessen our power; rather, augment it with a superior merchant marine, that ships carrying the American flag will control the commerce of the seas and that American goods will be consigned only to American vessels. [Applause.]

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 12817 and had come to no resolution thereon.

#### RESIGNATION FROM A COMMITTEE.

The SPEAKER laid before the House the following communication:

Hon. FREDERICK H. GILLET.

*Speaker of the House of Representatives.*

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Invalid Pensions.

Yours sincerely,

EWING L. DAVIS.

#### COMMITTEE ELECTIONS.

Mr. GARNER. Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

#### House Resolution 450.

Resolved, That CHARLES L. ABERNETHY, Member of Congress from the third district of North Carolina, be, and he is hereby, elected a member of the standing committees of the House on Coinage, Weights, and Measures; the Territories; and Expenditures in the Navy Department; and

That CLARENCE W. TURNER, Member of Congress from the seventh district of Tennessee, be, and he is hereby, elected a member of the Committees on Insular Affairs and Invalid Pensions.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

#### LEAVE TO FILE MINORITY VIEWS.

Mr. BOX. Mr. Speaker, I ask unanimous consent that the minority have leave to file minority views on the bill for the relief of Louis Leavitt, the exact number of which I do not recall at the moment.

The SPEAKER. What committee?

Mr. BOX. The Committee on Claims.

The SPEAKER. The gentleman from Texas asks unanimous consent that the minority of the Committee on Claims have, how much time?

Mr. BOX. To-morrow.

The SPEAKER. To file their views on the bill referred to. Is there objection? [After a pause.] The Chair hears none.

#### REFERENCE OF PRESIDENT'S MESSAGE.

Mr. MONDELL. Mr. Speaker, I move the reference of the President's message of Tuesday to the Committee of the Whole House on the state of the Union.

The question was taken, and the motion was agreed to.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the President's message may be printed as a House document.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

#### HOOR OF MEETING TO-MORROW.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

#### ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.) the House adjourned until to-morrow, Friday, November 24, 1922, at 11 o'clock a. m.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BUTLER: A bill (H. R. 12952) to provide for the immediate needs of enlisted men upon discharge from the naval service for the good of the service; to the Committee on Naval Affairs.

By Mr. SLEMP: A bill (H. R. 12953) to establish a national park in the State of Virginia; to the Committee on the Public Lands.

By Mr. KAHN: A bill (H. R. 12954) to authorize officers of the military service to accept offices with compensation and emoluments from Governments of the Republics of North America and South America; to the Committee on Military Affairs.

By Mr. SMITH of Idaho: A bill (H. R. 12955) to regulate and control unincorporated cooperative contract loan, savings, and investment institutions operating under declarations of trust in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SLEMP: A bill (H. R. 12956) to increase the salaries of the United States marshal and United States district attorney for the eastern district of Virginia; to the Committee on the Judiciary.

By Mr. KELL of Pennsylvania: A bill (H. R. 12957) to classify photographs and photographic films as fourth-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. STEPHENS: A bill (H. R. 12958) to grant leave of absence to officers and employees of the United States or of the District of Columbia when ordered to duty with the United States Naval Reserve Force or the United States Marine Corps Reserve; to the Committee on Naval Affairs.

By Mr. ABERNETHY: A bill (H. R. 12959) to enlarge and extend the post-office building at Goldsboro, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12960) to enlarge and extend the post-office building at New Bern, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. McPHERSON: A bill (H. R. 12961) to provide for the erection of a public building in the city of Aurora, Mo.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12962) to provide for the purchase of a site for a post-office building in the city of Cartersville, Mo.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12963) to provide for the purchase of a site for a post-office building in the city of Neosho, Mo.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12964) to provide for the purchase of a site for a post-office building in the city of Monett, Mo.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 12965) to provide for the erection of a public building in the city of Lamar, Mo.; to the Committee on Public Buildings and Grounds.



By Mr. SINCLAIR: A bill (H. R. 12966) to provide for the purchase and sale of farm products; to the Committee on Agriculture.

By Mr. PETERSEN (by request): A bill (H. R. 12967) to incorporate the United States Platinum Corporation and to aid in the development of the mineral resources of Alaska, and for other purposes; to the Committee on the Public Lands.

By Mr. JOHNSON of Washington: Joint resolution (H. J. Res. 391) directing the Public Printer to furnish, upon application, to each Senator elect, each Representative elect, and each Delegate elect a copy of each issue of the Congressional Record and indexes; to the Committee on Printing.

By Mr. BUTLER: Resolution (H. Res. 447) authorizing the Clerk of the House to pay, out of the contingent fund of the House, to Frederic H. Blackford and Elizabeth F. Mullen one month's salary as clerks to the late Hon. Charles R. Connel; to the Committee on Accounts.

By Mr. WISE: Resolution (H. Res. 448) directing the Federal Trade Commission to report to the House the cost of manufacturing and producing calcium arsenate, and whether the production and prices of calcium arsenate are controlled by any unlawful combination; to the Committee on Interstate and Foreign Commerce.

By Mr. TEN EYCK: Resolution (H. Res. 449) expressing the sincere wish and desire of the United States of America that the obligations of the signatories of the treaty of Sevres be observed by all signatories; to the Committee on Foreign Affairs.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 12968) granting a pension to Mary Spencer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12969) granting a pension to Jennie Boyd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12970) granting a pension to Margaret Blackman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12971) granting a pension to Nehemiah D. Minkler; to the Committee on Invalid Pensions.

By Mr. BENHAM: A bill (H. R. 12972) granting a pension to Lida O'Neal; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12973) to correct the military record of Jacob Shuey; to the Committee on Military Affairs.

By Mr. COUGHLIN: A bill (H. R. 12974) for the relief of John Bray, alias John Pickthorn; to the Committee on Military Affairs.

By Mr. DALLINGER: A bill (H. R. 12975) granting a pension to David C. Preston; to the Committee on Pensions.

By Mr. DARROW: A bill (H. R. 12976) granting a pension to Matthew Pierce; to the Committee on Invalid Pensions.

By Mr. EDMONDS: A bill (H. R. 12977) granting an increase of pension to Patrick H. Connelly; to the Committee on Pensions.

By Mr. GILBERT: A bill (H. R. 12978) granting a pension to Mary E. Grayson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12979) granting a pension to James A. Coppage; to the Committee on Pensions.

By Mr. GLYNN: A bill (H. R. 12980) for the relief of the Home for the Friendless, of Chicago, Ill.; the Silas Bronson Library, of Waterbury, Conn.; the Gettysburg College (formerly Pennsylvania College), of Gettysburg, Pa.; the Presbyterian Church of Bardstown, Ky.; and the Taylor Orphan Asylum, of Racine, Wis.; to the Committee on Claims.

By Mr. GREENE of Vermont: A bill (H. R. 12981) granting a pension to Katie Jane Bapp; to the Committee on Invalid Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 12982) granting a pension to Martha Hoffman; to the Committee on Pensions.

By Mr. KENDALL: A bill (H. R. 12983) granting an increase of pension to Henry C. McKinley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12984) granting a pension to Eunice A. Myers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12985) granting a pension to Charles Ray Beeghly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12986) granting a pension to Carrie Tissue; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12987) granting a pension to Jonathan Witt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12988) granting a pension to Deborah H. Shaffer; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 12989) granting an increase of pension to Belle Bair; to the Committee on Invalid Pensions.

By Mr. LOGAN: A bill (H. R. 12990) for the relief of George A. Nickles; to the Committee on Claims.

By Mr. McDUFFIE: A bill (H. R. 12991) for the relief of J. E. Hendrix; to the Committee on Claims.

By Mr. LAWRENCE: A bill (H. R. 12992) granting a pension to Martha E. Butler; to the Committee on Invalid Pensions.

By Mr. MILLSAUGH: A bill (H. R. 12993) granting an increase of pension to Sarah A. Smith; to the Committee on Invalid Pensions.

By Mr. A. P. NELSON: A bill (H. R. 12994) granting an increase of pension to Urzula Levissee; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 12995) granting a pension to Rachel M. Goin; to the Committee on Invalid Pensions.

By Mr. SNYDER: A bill (H. R. 12996) granting a pension to Lillah Lane; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6448. By Mr. BURROUGHS: Petition of Mr. M. W. Dunbar, of Hampton, N. H., and 35 other voters of the first congressional district of New Hampshire, protesting against any modification of or removal of any restriction from existing laws governing immigration; to the Committee on Immigration and Naturalization.

6449. By Mr. GRAHAM of Pennsylvania: Petition of the Philadelphia Board of Trade, urging the passage of S. 1943, for the protection of aliens under their treaty rights; to the Committee on Foreign Affairs.

6450. By Mr. HARRISON: Petition of Frank R. Thotter and 41 other citizens of Stephen City, Va., urging Government action for the protection of Armenians; to the Committee on Foreign Affairs.

6451. By Mr. KISSEL: Petition of W. Bernard Duke, Baltimore, Md., relating to the seizure of the Atlantic, Gulf & Pacific Steamship Corporation's fleet by the United States Shipping Board; to the Committee on the Merchant Marine and Fisheries.

6452. By Mr. SABATH: Petition of the Illinois Holstein-Friesian Association, in convention at Dixon, Ill., urging the continuance of appropriations to eradicate tuberculosis in cattle; to the Committee on Agriculture.

6453. By Mr. SINCLAIR: Petition of Harry H. Giese and 3 others, of Underwood; Algot Carlson and 4 others, of Milnor; J. D. Barclay and 35 others, of Mose; Syver Olsen and 63 others, of Ryder; G. A. Johnson and 9 others, of Carson and Almont; Mrs. R. W. Tesch and 7 others, of Werner and Taylor; Andrew Omholt and 13 others, of Williston, all in the State of North Dakota, in favor of a stabilized price on wheat; to the Committee on Agriculture.

6454. Also, petition of H. O. Hoffman and 11 others, of Morris-town, S. Dak.; William Wilson and 5 others, of Ryder, N. Dak.; Fred Landeis and 9 others, of Mandan, N. Dak.; Mrs. L. D. Best and 22 others, of Hillsboro, N. Dak.; S. O. Tveden and 28 others, of Watford City and Schafer, N. Dak.; Gustav F. Starck and 8 others, of Sweetbriar, N. Dak.; S. T. Ferguson and 6 others, of Woodworth, N. Dak.; L. A. Trudell and 77 others, of Deering and Surrey, N. Dak., urging that a fair minimum price be set on wheat; to the Committee on Agriculture.

6455. Also, petition of C. F. Johnson and 14 others, of Manfred; Mrs. Ralph Ingerson and 26 others, of Lignite and Flaxton; P. H. Paulson and 38 others, of Niagara; Mrs. F. J. Lyon and 18 others, of Dogden; C. J. Nelson and 34 others, of Beulah; A. Obermeier and 38 others, of Linton; Philip Fisher and 8 others, of Gladstone, all in the State of North Dakota, in favor of a minimum price on wheat; to the Committee on Agriculture.

6456. Also, petition of Henry Jacobson and 9 others, of Lundsvalley; Al. N. Nelson and 41 others, of Carlson; J. A. Dahl and 53 others, of Banks; Mrs. Gust Anderson and 33 others, of Sheyenne, all in the State of North Dakota, in favor of a minimum price on farm products; to the Committee on Agriculture.

6457. Also, petition of Gonvald Nodland and 9 others, of Dunn Center; N. O. Peterson and 33 others, of Turtle Lake; Emma C. Heidlebaugh and 23 others, of Rugby and Pleasant Lake, all in the State of North Dakota, asking Congress to set a price of \$2 on wheat; to the Committee on Agriculture.

6458. By Mr. TEMPLE: Evidence in support of H. R. 12888, granting a pension to Lizzie C. Masters; to the Committee on Invalid Pensions.

## SENATE.

FRIDAY, November 24, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father and our God, we are the recipients of Thy mercy. Enable us to appreciate with confidence in Thee the privileges given unto us. May we live assured day by day of Thy presence and help in all the duties that may come to us. Lead us into the light when darkness may be about us. Help us to an understanding of the ways along which we should travel, and be with us, we beseech of Thee. Through Jesus Christ our Lord. Amen.

CHARLES E. TOWNSEND, a Senator from the State of Michigan, appeared in his seat to-day.

The reading clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

## CALL OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Glass	Nicholson	Stanfield
Bayard	Gooding	Norris	Stanley
Borah	Hale	Overman	Sterling
Brandegee	Harrell	Owen	Sutherland
Broussard	Harrison	Page	Swanson
Cameron	Heflin	Pepper	Townsend
Capper	Jones, Wash.	Pittman	Trammell
Caraway	Kellogg	Pomerene	Underwood
Culberson	Keyes	Ransdell	Wadsworth
Cummins	Ladd	Rawson	Walsh, Mass.
Curtis	Lodge	Reed, Pa.	Walsh, Mont.
Dial	McCumber	Sheppard	Warren
Edge	McKellar	Shortridge	Watson
Ernst	McKinley	Simmons	Weller
Frelinghuysen	McNary	Smith	Willis
George	Nelson	Smoot	

Mr. GEORGE. I wish to announce the absence of my colleague [Mr. HARRIS] on account of illness.

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. There is a quorum present.

## PETITIONS AND MEMORIALS.

Mr. CAPPER. Mr. President, I ask permission to have printed in the RECORD a resolution adopted by the semiannual conference of the National Board of Farm Organizations held recently in Washington, D. C., protesting against the passage of the Jones-Greene bill. I also ask that it be referred to the Committee on Commerce.

There being no objection, the resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

[Adopted by the semiannual conference of the National Board of Farm Organizations held in Washington, D. C., October 11-13.]

Whereas it is apparent that the question of granting subsidies to our merchant shipping will soon be brought to a vote in Congress; and

Whereas the farmers of the United States have been traditionally opposed to the granting of such subsidies; and

Whereas the plan embodied in the Jones-Greene bill, which is now under consideration, contains many provisions that are extremely objectionable and would, in our opinion, be detrimental to the best interest of the country as a whole if enacted: Therefore be it

Resolved, That this body record an emphatic protest against the passage of this proposed legislation.

Mr. EDGE. I ask unanimous consent to have printed in the RECORD a telegram favoring the passage of the ship subsidy bill. I also ask that it be referred to the Committee on Commerce.

There being no objection, the telegram was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

[Western Union Telegram.]

TRENTON, N. J., November 24, 1922.

Senator WALTER E. EDGE,  
Washington, D. C.:

Trenton Real Estate Board unanimously indorse ship subsidy bill and urge its passage.

ISAIAH BIRKS, President.

Mr. CURTIS presented a resolution of the Leavenworth (Kans.) Chamber of Commerce, favoring the passage of the so-called ship subsidy bill, which was referred to the Committee on Commerce.

Mr. LADD presented a petition of the Antelope Farm Bureau Association, of Fort Pierre, N. Dak., praying acceptance of the proposal of Henry Ford relative to the operation of the Muscle

Shoals plant, which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of J. P. Parkinson and 22 others, of Willow City; Louis Lehmkuhl and 12 others, of Center; Eva D. Vizina and 7 others, of Williston; John Fink and 21 others, of Dodge; M. L. Forbes and 22 others, of White Earth; Mrs. Ira Heldlebaugh and 25 others, of Pleasant Lake; N. O. Peterson and 32 others, of Turtle Lake; J. K. James and 2 others, of Rolla; Anton Tanberg and 3 others, of Mohall; John Haupe and 31 others, of Medina; J. J. Costella and 18 others, of Cavalier; Walter Ott and 19 others, of Elgin; Mrs. Dan McTucklan and 11 others, of Westhope; Earl Warner and 2 others, of Fessenden; Elizabeth Jones and 8 others, of Fort Rice; Henry Gisleberg and 9 others, of Maddock; Christian Unrich and 18 others, of Glen Ullin; Ludwig Kruckenberg and 8 others, of Stanton; Therisa Sasse and 8 others, of Zap; J. L. Laheck and 9 others, of Zahl, all in the State of North Dakota, praying for the enactment of legislation stabilizing the price of wheat, which were referred to the Committee on Agriculture and Forestry.

## BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4064) authorizing the issuance of patent to the legal representatives of Miles J. Davis, deceased; to the Committee on Public Lands and Surveys.

By Mr. WADSWORTH:

A bill (S. 4065) for the promotion of certain officers of the United States Army on the retired list; to the Committee on Military Affairs.

By Mr. NELSON:

A bill (S. 4066) to create a commission to recommend to Congress amendments necessary in order to simplify the pleading, practice, and procedure in certain Federal courts; to the Committee on the Judiciary.

By Mr. BALL:

A bill (S. 4067) to amend the law regarding assessment of real and personal property in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. KELLOGG:

A bill (S. 4068) granting a pension to Linda A. Baker; to the Committee on Pensions.

By Mr. CURTIS:

A joint resolution (S. J. Res. 248) to provide for the payment of salaries of Senators appointed to fill vacancies, and for other purposes; to the Committee on Privileges and Elections.

## LIBERIAN LOAN.

The PRESIDENT pro tempore. Morning business is closed. Mr. CURTIS. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. HARRISON].

Mr. NORRIS. I ask that the amendment may be read.

The PRESIDENT pro tempore. The amendment will be read.

The ASSISTANT SECRETARY. Add at the end of the joint resolution the following additional section:

SEC. 3. That to carry out the provisions of the act of February 17, 1911, "to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," as amended, as follows:

"For salaries of 35 additional inspectors whose employment is hereby authorized for nine months at the rate of \$3,000 per annum each, \$78,750; for per diem in lieu of subsistence for said inspectors for nine months, \$37,800; for transportation for said inspectors for nine months, \$37,800; for allowances to said inspectors for nine months, \$15,750; in all, fiscal year 1923, \$170,100."

Mr. DIAL. Mr. President, for the main joint resolution establishing a credit such as is contemplated, I can find no constitutional authority whatever. I see no legal obligation and no moral obligation. It does seem to me that it is time that we should look after the people at home instead of trying to extend credits to other countries of the world where we will never collect the money. In my section of the country a great many people have not paid their taxes for last year, much less this year. We are tired of laboring under burdensome taxation.



I can not understand how Senators should so far forget their oaths as to vote for a joint resolution which no one would claim is constitutional. There is no place for such legislation now, and I trust that it will be defeated.

Mr. President, in reference to the amendment proposed by the Senator from Mississippi [Mr. HARRISON] I desire to say that I can see no benefit whatever to be derived from increasing the number of locomotive inspectors; in fact, I do not know that there is any necessity for those who are provided for at the present time. Congress should regain its equilibrium and allow business hereafter to function in its accustomed way. The railroads have their own experts; they repair their engines and they know better than some little Government official whether or not those engines are safe; indeed, they know when the engines come out of the shop as to whether or not they are safe. Not only that, but I should much prefer to trust to the knowledge of the engineer who operates the engine than to some Government official who may go around theorizing about it.

We all know that the railroads owe to the public the highest degree of care. They are responsible not only to public sentiment but they are also financially responsible for any injuries that may occur in railroad transportation by reason of any defect in their instrumentalities. After we have gone through a great tie-up of the commerce of the country, to appoint more locomotive inspectors to bedevil, to hamper, and to harass the railroads in the conduct of their business would be absolutely unwise.

I have no brief to speak for the railroad companies, but I do sympathize with business, and I desire to say that if we do not let people transact their business in a reasonable way, without so much Government interference, after awhile there will be no one to carry on business—there will be nobody to pay taxes.

The enactment of this proposed legislation would tend to diminish the number of engines which might be put in operation; it would retard progress; it would retard the delivery of freight. Some little fellow might go around urging some slight captious objection to an engine with which there is nothing materially wrong and have it sidetracked. How in the name of common sense can such a man know more about an engine than the man who operates it? We need practical people, and it is morally wrong and it is financially wrong to keep on tying up the railroads and worrying them with all this kind of red tape.

I do not know whether the Interstate Commerce Commission recommends this proposed legislation or not, but even if they do I desire to say that I find emanating from governmental agencies a great many impracticable visionary suggestions. I understand that a great many of the railroads are getting tired of operating their property and would be glad for some excuse to hand it over to the Government.

If we shall keep on hampering them and preventing them transacting their business in a common sense way such will be the inevitable result. Then, indeed, it will be a sad day for the taxpayers of this country. I am opposed to Government ownership or operation of any kind of business. We have witnessed a great failure in the shipping enterprise in which we are now engaged; not that it necessarily should be a failure, but the chief man who is operating it operates it so as to make it a failure instead of making it a success. It will be the same way with the railroads when they pass into Government ownership.

Mr. President, it is well to talk about the safety of individuals and the public. Senators may get up here and with maudlin sentimentality talk about the care of the lives of women and children who ride on railroad trains; but who knows that hampering the railroads in the manner proposed would improve conditions? Let us carry that suggestion a little further to its logical conclusion. I expect to see some well-meaning, tender sentimentalist get up here and introduce a bill before long proposing to provide inspectors of automobiles in this country. Such a Senator could make a most eloquent speech suggesting that as the Government appropriates money for the purpose of building highways, that it is most desirable that the women and children be not injured; that accidents should be prevented in traveling on those beautiful highways which we have built; that we know that automobiles will get out of order, and therefore suggest it would be proper for the Government to have automobile inspectors at every crossroad and garage in the country. Such a suggestion might be made with just as much reason as it is now proposed that we have locomotive inspectors; and I do not know that many Senators would oppose such a proposition. I fear not.

It seems to me that we have lost pretty much all the common sense we ever had. We have gone to extremes. We forget that there are taxpayers in this country. I do not know what there is in the atmosphere of Washington to produce that effect, but when legislators come here they seem to forget the trials and the hardships of life; we seem to think that money is just simply printed by the printing presses of the Government, with nothing behind it, and that all Senators and Representatives have to do is to introduce a bill to appropriate money.

I am here now, and I intend to take a new start, and hereafter to oppose the creation of all unnecessary offices and all unnecessary taxation, notwithstanding there is not much encouragement to do so. If we do not pursue a different course, we will be heading directly in the direction of Russia and some of the other countries of the world which can not pay their obligations.

I do not want to warn my fellow Senators; that is a matter for them; but I do say that the people back at home are more aroused than they have ever been about the extravagance of government. I am sorry to say that one can hardly get in a Pullman car or enter a hotel lobby without hearing the expression, "To hell with Congress; its Members are antiquated; Congress is out of date; it is not in harmony with the people."

In all seriousness, I can see no use of encumbering the railroads with this additional and meddlesome restriction, and certainly the Treasury is in no condition forever to have offices heaped up and expense piled up from time to time. I thought after the war we would begin to go back to normal, but it seems that we are determined not to allow expenses to decrease. I am perfectly willing to help any set of men here to try to be reasonable and sane and practical, and I am prepared to vote against all unnecessary expense. I hope that we will wake up, and there could be no better time than at the beginning of this short session to realize the condition of the country.

If we pass this appropriation to Liberia, we will force some taxpayer to enjoin its payment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Mississippi. [Putting the question.] The Chair is in doubt.

Mr. HEFLIN. I ask for a division.

Mr. HARRISON. I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Missouri [Mr. REED] and vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. NORRIS (when Mr. LA FOLLETTE's name was called). I was requested to announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is unavoidably absent from the Chamber, and that if he were present, on this question, he would vote "yea."

Mr. MCCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Nevada [Mr. ODDIE] and vote "nay."

Mr. MCKELLAR (when his name was called). I transfer my general pair with the junior Senator from Indiana [Mr. NEW] to the senior Senator from Alabama [Mr. UNDERWOOD] and vote "yea."

Mr. TRAMMELL (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], but I am informed that if present he would vote as I shall vote. I, therefore, feel at liberty to vote, and vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from New Mexico [Mr. BURSUM] and will vote. I vote "yea."

Mr. LODGE (after having voted in the affirmative). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]; but as he would vote as I have voted, I will allow my vote to stand.

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. SUTHERLAND (after having voted in the affirmative). I transfer my general pair with the Senator from Arkansas

[Mr. ROBINSON] to the Senator from Maryland [Mr. FRANCE] and will let my vote stand.

Mr. TRAMMELL. I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the senior Senator from Washington [Mr. POINDEXTER] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS].

The result was announced—yeas 51, nays 9, as follows:

## YEAS—51.

Ball	Glass	Nicholson	Smoot
Bayard	Hale	Norris	Stanfield
Borah	Harrison	Overman	Stanley
Brandegee	Hefflin	Owen	Sterling
Cameron	Hitchcock	Page	Sutherland
Capper	Jones, Wash.	Pepper	Swanson
Caraway	Kellogg	Pittman	Townsend
Culberson	Keyes	Pomerene	Trammell
Cummins	Ladd	Rawson	Walsh, Mass.
Curtis	Lodge	Sheppard	Walsh, Mont.
Edge	McKellar	Shortridge	Watson
Fletcher	McKinley	Simmons	Willis
George	McNary	Smith	

## NAYS—9.

Broussard	Frelinghuysen	McCumber	Wadsworth
Dial	Gooding	Myers	Warren
Ernst			

## NOT VOTING—35.

Ashurst	Harrell	McLean	Reed, Mo.
Bayard	Harris	Moses	Reed, Pa.
Bursum	Johnson	Nelson	Robinson
Calder	Jones, N. Mex.	New	Shields
Colt	Kendrick	Norbeck	Spencer
Dillingham	King	Oddie	Underwood
Elkins	La Follette	Phipps	Weller
Fernald	Lenroot	Poin Dexter	Williams
France	McCormick	Ransdell	
Gerry			

So Mr. HARRISON's amendment was agreed to.

Mr. HARRISON. Mr. President, on line 17, page 2 of the joint resolution, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. On page 2, line 17, after the word "resolution," it is proposed to insert a colon and the following proviso:

*Provided, That no part of the sum herein authorized to be established as a credit for the Government of Liberia, or any part of the appropriation herein made to carry out the purposes of this act, shall be used for the payment of any commission to any agent, attorney, or commission by the Government of Liberia which may have been or may hereafter be contracted.*

Mr. CURTIS. I have no objection to that amendment.

Mr. HARRISON. Mr. President, I have offered this amendment because it is pretty generally understood, I think, that certain persons have a contract with the Government of Liberia that in the event this loan is made they are to receive a fee or commission of \$650,000. It is not a secret that the five persons who have this contract with the Government of Liberia are members of the colored race. They have been very conspicuous around the corridors of the Capitol, buttonholing Senators, and using every influence in order to obtain the passage of this legislation. If the rumors that are flying everywhere are correct—and I hope some one can put us right if they are not—the persons who are to receive this commission and share in the profits of \$650,000 which the taxpayers of America will have to pay are the following:

William H. Lewis, of the city of Boston, a very prominent Republican member of the colored race. He was formerly an assistant to the Attorney General when Mr. Wickersham held that high office.

Emmett J. Scott, who is the secretary and treasurer of Howard University in the city of Washington, and who is generally seen at Republican conventions. He was, as I understand, one of the lieutenants for the manager of Leonard Wood when he was a candidate for the Republican presidential nomination some time ago.

James A. Cobb, of the city of Washington, a well-known colored attorney, who was assistant to the district attorney when Mr. Wickersham was Attorney General.

Another one is a preacher, Rev. Ernest Lyon, of the city of Baltimore, who was formerly minister to Liberia under one of the past Republican administrations. He is at present, as I understand, the consul general to this country from Liberia.

Another is William L. Houston, a lawyer and very prominent colored Republican in Washington, who was recently placed upon the Board of Education by President Harding.

These men, it is generally understood, have a contract for \$650,000 in the event this body is generous and kind enough to-day to pass the Liberian loan. If this contract has not been written, and these facts that are so frequently stated are not true, then my amendment can do no harm; but certainly it should be adopted, so that these commissions shall not be paid or any commission paid in the event the proposed legislation should pass.

Mr. CURTIS. Mr. President, I think the rumor that the Senator has spoken about is like a good many others he has heard of; they originate in his own fertile mind.

Mr. HARRISON. May I ask the Senator if he will agree, pending this matter, to hold it up a few days until we can have a little investigation to see whether or not these charges are true. I have not seen the contract, but we can get these persons here, and we can ascertain the facts. No harm will be done thereby.

Mr. CURTIS. Mr. President, I will agree to the amendment. That will settle the question.

Mr. HARRISON. That is perfectly all right.

Mr. CURTIS. I want to say that all the time this joint resolution was before the Committee on Finance, and all the time it has been here, not one colored man, or, for that matter, one white man, has appeared in its behalf except members of the State Department and the Treasury Department. These rumors are without any foundation whatever.

I have no objection to the amendment, and hope there will not be one vote against it.

Mr. HARRISON. I am certainly thankful to the Senator for his pleasing address and indorsement of the amendment.

Mr. SMOOT. Mr. President, I think the Senator from Mississippi knew that we would accept the amendment before he made his speech.

Mr. HARRISON. No; I did not. I am glad I convinced the Senator, though.

Mr. SMOOT. No; the Senator did not convince me at all.

Mr. HARRISON. The proviso should have been in the original joint resolution, then.

Mr. SMOOT. No one thought of it. I have no objection at all to it.

Mr. HARRISON. That is all right. We are together, then.

Mr. SMOOT. I want to say to the Senator that no colored man has ever approached me at any time about the Liberian joint resolution.

Mr. HARRISON. They knew the Senator would be all right anyhow.

Mr. SMOOT. That may be. Whether the Senator is all right or all wrong is a question of judgment. The Senator believes in recognizing a moral or legal obligation on the part of the Government as well as he does on his own part. I have no objection to the adoption of the amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended.

Mr. HEFLIN. Mr. President, I discussed this question a few weeks ago during the last session of Congress, but I want to say another word before it is finally voted upon, in answer to the statement that this loan should be granted in pursuance of a moral obligation that this Government has to the people of Liberia. I think that suggestion has been exploded by the Senator from North Carolina [Mr. SIMMONS]. The facts show—and this is not a matter of imagination—that certain persons in New York are interested in this loan; that if this money is provided, about \$3,500,000 of it will go to concerns in New York interested in the loan to Liberia.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Utah?

Mr. HEFLIN. I do.

Mr. SMOOT. I am quite sure the Senator does not want to make a statement unless he knows it to be true. I want to say to the Senator that the Secretary of State says that all of the \$1,500,000 of bonds that Liberia is now owing is owned in Great Britain and France, with the exception of about \$58,000. If the Senator wants to read the statement of the Secretary, or will let me do so, he will find that that evidence was submitted before the committee of the House.

Mr. HEFLIN. I will ask the Senator a question. How much of this money will be paid to Wall Street for indebtedness on the part of Liberia?

Mr. SMOOT. On the part of Liberia?

Mr. HEFLIN. Yes.

Mr. SMOOT. Fifty-eight thousand dollars is all that Liberia owes America. But it is true that the National City



Bank is acting as agent for creditors in England and France, and that indebtedness amounts to about \$1,500,000. That is the fact in the case.

Mr. HEFLIN. So you contend that about three and one-half million dollars will go to Liberia?

Mr. SMOOT. Yes; to be expended there for the establishment of schools, the building of roads, payment of internal debts, and for improving the rivers and harbors. That is what the money is to be expended for, over and above that which goes to the payment of obligations which Liberia owes to foreign governments to-day. Our Government took the position that they were not going to advance any money to Liberia, and still have foreign governments holding the obligations of Liberia.

Mr. SIMMONS. Mr. President, all of those obligations which the Senator from Utah says are due foreign governments, and which he now claims these New York bankers are merely collecting as agents for foreign governments, were contracted in 1912.

Mr. SMOOT. Some of them before that.

Mr. SIMMONS. They are old debts.

Mr. SMOOT. They are old debts, certainly. There is no question about that. But the Government of the United States was not willing to lend a dollar to Liberia and have a foreign government owning a first mortgage and we a second one.

Mr. SIMMONS. Then the Senator's statement of fact is this, that nearly half of this money is to liquidate debts of Liberia antedating the war.

Mr. SMOOT. A third of it is.

Mr. SIMMONS. And the balance of it is to be used for internal improvements hereafter to be made in Liberia?

Mr. SMOOT. There is no doubt about it. If necessary, I would be glad to tell the Senate just exactly why this was done, why the arrangement was made, and state the moral obligation we are under to-day.

Mr. NORRIS. Will the Senator from Alabama permit me to ask the Senator from Utah a question?

Mr. HEFLIN. I will.

Mr. NORRIS. I will ask two questions. The first one is this: When that part of this indebtedness which is owned abroad, in England and in France, was originally contracted, did these same banks in New York act as agents, did they sell the bonds to those foreigners, or were the bonds bought directly from Liberia?

Mr. SMOOT. They made the loan direct to Liberia. Not only that, Mr. President, but I think some of the bonds are still in Germany.

Mr. NORRIS. I have forgotten all the details, but there were at least two of these amounts—one to cover a floating loan of \$350,000, I think, and some other indebtedness of \$250,000, as to which the statement did not show who owned the indebtedness.

Mr. SMOOT. The statement shows that all the obligations are outside of America, with the exception of \$58,000. I have not a statement as to just the amount of the loans.

Mr. SIMMONS. Mr. President, I will say to the Senator from Nebraska that in the agreement entered into by the Liberian Government and the Secretary of State October 28, 1921, it is stated first:

Two hundred and thirty-three thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal funded debt—

Mr. NORRIS. Who owns that?

Mr. SMOOT. That is a local obligation, owned in Liberia.

Mr. SIMMONS. It says "internal funded debt."

Mr. SMOOT. Certainly; it is an internal debt.

Mr. NORRIS. It does not follow because it is an internal debt that it is owned in Liberia.

Mr. SMOOT. If it is an internal debt, it would have to be.

Mr. SIMMONS. Second, it was provided—

Three hundred and fifty thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal floating debt.

Mr. NORRIS. Who owns that debt?

Mr. SIMMONS. Nothing is stated as to who owns that debt.

Mr. NORRIS. Those are the two items I was inquiring about.

Mr. HEFLIN. What was the amount of that floating debt?

Mr. SIMMONS. Three hundred and fifty thousand dollars. Then \$1,650,000 is the debt represented by these bankers in New York. The Senator from Utah says that they have no interest in it but are simply acting as representatives.

Mr. SMOOT. Yes; I say so.

Mr. SIMMONS. I desire now to read what the agreement states about it.

Mr. SMOOT. Does the Senator doubt that the National City Bank is acting as agent for England and France?

Mr. SIMMONS. I do not know anything about it.

Mr. SMOOT. I say they are, and I know that they are.

Mr. SIMMONS. Let me read what the agreement states:

One million six hundred and fifty thousand dollars, or such less amount as may be necessary for the purpose of enabling the Government of Liberia to purchase or redeem all of its bonds now issued and outstanding.

So that they are to pay, first, their funded debt, their floating debt, and all of their bonds outstanding.

Mr. SMOOT. That is true.

Mr. SIMMONS. This continues:

Representing the 5 per cent sinking fund gold loan, due July 1, 1952, under the agreement for refunding loan dated March 7, 1912, between the Republic of Liberia, of the first part, and J. P. Morgan & Co., Kuhn, Loeb & Co., the National City Bank of New York, and First National Bank of New York, acting for themselves and for Robert Fleming & Co.—

"For themselves and Robert Fleming & Co."—

Mr. SMOOT. Yes.

Mr. SIMMONS. And M. M. Warburg & Co.—

and such payments of interest, costs of notices, and other payments or deposits, as well as payments which may be due from the Government of Liberia, under the fiscal agency agreement dated March 7, 1912, between the Republic of Liberia, of the first part, and the National City Bank of New York, of the second part, as shall be necessary to terminate all obligations of the Government of Liberia under all of said bonds or under the agreement for refunding loan or the fiscal agency agreement above mentioned, as shall entitle the Government of Liberia in accordance with the terms of said agreement to the cancellation and destruction of all said bonds held by the fiscal agents in the sinking fund mentioned in said agreements. Advances for this purpose shall be made at such times and in such amounts as shall be determined by the Secretary of State of the United States. It is understood that the Secretary of State of the United States may determine the best method for acquiring part or all of the aforesaid bonds, but in no event shall more than par and accrued interest be paid therefor.

Mr. SMOOT. I do not deny that at all, Mr. President. That is exactly as I stated it was.

The PRESIDENT pro tempore. The Chair desires to ask the Senator from Alabama whether he has yielded the floor?

Mr. HEFLIN. He has not.

The PRESIDENT pro tempore. The Chair recognized the Senator from Alabama.

Mr. McKELLAR. Will the Senator from Alabama yield to me to ask a question?

Mr. HEFLIN. I yield to the Senator from Tennessee.

Mr. McKELLAR. I desire to ask the Senator from Utah who owns these bonds, and what was paid for them by the owners?

Mr. SMOOT. That I can not tell. I can not say who owns the bonds now. I know that British subjects own some, French subjects some, and some were owned in Germany; but I do not know what became of the German bonds.

Mr. McKELLAR. None of these American bankers own them?

Mr. SMOOT. Not a dollar of these bonds—this \$1,500,000 of bonds.

Mr. McKELLAR. If they do not own the bonds, why are they named as the owners in the proposed agreement?

Mr. SMOOT. Because they may have a small amount of the \$58,000. I do not know what the amount is.

Mr. McKELLAR. Should not the State Department furnish us the information?

Mr. SMOOT. The State Department has furnished us a statement of the total amount—\$58,000. That is the amount that comes to America.

Mr. SIMMONS. Why is it stated, I will ask the Senator from Utah—

The PRESIDENT pro tempore. The Chair desires to advise the Senator from Alabama that he can not yield for an argument between other Senators.

Mr. McKELLAR. I am very much obliged to the Senator from Alabama.

Mr. SIMMONS. Mr. President—

Mr. HEFLIN. I gladly yield to the Senator from North Carolina.

Mr. SIMMONS. I simply desire to ask the Senator from Utah why, if these New York bankers have no interest in this, the agreement states that it is made for themselves and as agents?

Mr. SMOOT. They may have a small amount of this \$58,000. I do not know what amount they hold, but the State Department says \$58,000 of the total amount is owing in the United States. The original issue of \$1,500,000 of the bonds was taken in Europe entirely, and the bonds are owned there to-day.

Mr. HEFLIN. Mr. President, the debate which has been going on between Senators discloses a situation very mystifying indeed. The Senate does not know yet who owns these



debts. The State Department says that \$58,000 is owed to people in the United States, so far as the State Department knows. The Senator from Utah himself does not know what interest the National City Bank of New York has in these bonds, or how much commission that bank will get as the agent of the British interests and French interests for collecting this debt. So an agency in New York, having in charge this Liberian matter, is coming to the Senate of the United States to collect a debt due by the people of Liberia to various foreign powers. We do not know how much the debt is. We do know, under the facts which have been submitted, that this Government is under no moral obligation whatever to make this loan to Liberia.

Under the administration of President Wilson this Government offered to aid Liberia under certain conditions. Liberia was to do certain things. Liberia did not do any of those things, and when that administration went out of office and the war was over all that was connected with it was out of date and not binding in any way whatever upon the people of the United States, and I think it amounts nearly to a public scandal that the Congress of the United States is now solemnly about to go on record as favoring taking out of the Public Treasury \$5,000,000 of the taxpayers' money and paying off obligations to New York and to foreign interests, when the people in America to-day are in distress and can not get money enough to carry on their own business at home.

The Senator from South Carolina [Mr. DIAL] has called attention to the fact that there are farmers all over the country who have not been able to pay their taxes for last year, much less this year, and Senators are standing here now about to go upon record as voting to appropriate \$5,000,000 to make a loan to the people of Liberia for no purpose on earth except to pay obligations to concerns abroad and in New York City.

It seems to me that Senators would have profited by what happened to them on the 7th of November, but it seems that the lame-duck brood still lingering in the Senate is to be called upon now in the little time that remains to them to vote \$5,000,000 out of the Public Treasury to pay speculators in bonds and floating debts of various kinds in Liberia.

Mr. President, I do not believe any of those Senators who were up for election would have told their constituents before the 7th of November that they would vote for this Liberian loan. It is simply ridiculous. Why should this Government take \$5,000,000 out of the Public Treasury and make this loan? What excuse is there for it?

Yesterday Senators were telling us that we ought to stay out of foreign affairs, and here you are going into the very Treasury of the people, the strong box of the Government, running your arm up to the armpit to take out millions to loan to Liberia, a foreign country, without any excuse or justification whatever. I can not understand why Senators would advocate such a thing.

I want to say just this before I sit down. There is no moral obligation on the part of the Government to make the loan. There is no excuse or justification in right principle for making the loan. There is nothing to be gained by it from the standpoint of public policy. It is unjust and unfair to do this thing. The American people need our attention. If Senators have not learned yet, they will learn in the next two years that the people are going to take hold of the Government for themselves. We are going to have a housecleaning at Washington. Instrumentalities that used to operate in behalf of the whole people have been taken hold of and are now being used in the interest of a few to the hurt and injury of the many, and we are going out after them to restore them to their rightful uses, and Senators who vote to-day to appropriate \$5,000,000 to make this wildcat loan to Liberia are simply getting ready to join the list of those who on that side went down on the 7th day of November. They are going to have repudiation coming to them. The people ought to repudiate them. Why should the people not do so? This is their Government. If a representative for a business firm were to come back and report that he had done such a thing as is about to be done here with \$5,000,000, that private business would kick him out before the sun went down. Here we are, intrusted with this power on the part of the people, solemnly taking an oath in this Chamber to safeguard the rights and interests of the people, and yet it is proposed here to take out of the Treasury \$5,000,000 for the speculative interests of New York, to satisfy interests here and abroad who are trying to make a collecting agency of the Congress of the United States. Senators, you can not justify a vote in favor of this preposterous thing.

Mr. SMOOT. Mr. President, the necessity of this bill results from one of the legacies left us by the Democratic Party. If there were not a moral obligation on the part of the Govern-

ment to advance the money to Liberia, I certainly would not support the measure and I can truthfully say that it would not be before this body for consideration.

I know of no better evidence as to whether there is a legal or moral obligation than that which has been given to Congress by the Secretary of State himself. I wish that every Senator would read the testimony given by the Secretary. I doubt whether there would be one who would question the existence of a moral obligation on the part of this Government.

Mr. WALSH of Massachusetts. Mr. President, does the Senator mean the present Secretary of State or the former Secretary of State?

Mr. SMOOT. I mean the present Secretary of State.

Mr. POMERENE. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield.

Mr. POMERENE. There is just one question, so far as I am concerned, and that is the question as to whether or not there is a moral obligation. I am not persuaded either way so far as that particular question is concerned. I tried to get a copy of the hearings, but I am advised that they are not available, being out of print.

Mr. SMOOT. I will say that is true. I this morning obtained the file copies of the State Department and have them here on my desk.

Mr. POMERENE. I make this statement as leading up to a suggestion. As that seems to be the point about which the dispute exists, would it not be well to have the bill recommitted, so we could have a reprint of the hearings and give us an opportunity to investigate the subject?

Mr. SMOOT. Oh, no; I do not think so.

Mr. SIMMONS. Mr. President—

Mr. POMERENE. Will the Senator allow me to ask a further question?

The VICE PRESIDENT. Does the Senator from Utah yield; and if so, to whom?

Mr. SIMMONS. I simply want to state to the Senator from Ohio that I intend at a later time to make a motion to recommit the joint resolution.

Mr. SMOOT. I yield to the Senator from Ohio for a question.

Mr. POMERENE. Did the Finance Committee of the Senate have any hearings?

Mr. SMOOT. I do not believe any hearings were had before the Finance Committee. We relied upon the hearings which were held before the committee of the House.

Mr. POMERENE. My information was that there were no hearings.

Mr. SMOOT. I do not think there were any hearings before the Finance Committee of the Senate.

I believe that I had better read a letter signed by Charles E. Hughes, Secretary of State, and directed to the President, dated July 29, 1921, as follows:

DEPARTMENT OF STATE,  
Washington, July 29, 1921.

The PRESIDENT:

I beg to submit the following considerations with respect to the proposed loan to the Republic of Liberia:

An examination of the course of the negotiations produces the conviction that commitments have been made by this Government which imposes a moral obligation to make the loan. The negotiations were had and proceeded to the point of an announced commitment at a time when the broad authority conferred in connection with the prosecution of the war was adequate to the consummation of the plan, and the fact that this authority may not be deemed longer to exist, while making it impossible to proceed without congressional sanction, does not, in my judgment, change the fact that assurances were given which should be made good.

Mr. POMERENE. Will the Senator permit me to interrupt him at that point?

Mr. SMOOT. Had I not better read the letter through first?

Mr. POMERENE. Very well.

Mr. SMOOT. That would be the better way.

The history of the negotiations, as they appear from the information at my command, may be stated as follows:

Liberia being at war with the enemies of the United States, a loan credit of \$5,000,000 was extended by the Secretary of the Treasury on September 9, 1918, under the authority of the act of April 24, 1917, "to authorize an issue of bonds to meet expenditures for the national security and defense, and for the purpose of assisting in the prosecution of the war, to extend credits to foreign governments, and for other purposes." On September 12, 1918, the Government of Liberia was notified of the opening of this credit and negotiations were initiated covering the terms, service, and general purposes of the loan. The loan plan drawn up was intended to safeguard the money so advanced by American administration of expenditures and collection of revenues, and also to provide for repayments of all moneys due other foreign creditors. \* \* \* The Governments interested were advised of the opening of this credit. The loan plan for various reasons was not submitted to the Liberian Government until June 15, 1920, and the Liberian Legislature requested certain modifications. It was clearly



understood both by the Liberian Government and by the Government of the United States at that time that there was no question of a withdrawal of the offer of the money already promised, the time when the credit should be made available merely depending on a satisfactory agreement as to details of administration.

Remember, Senators, that was taken up on June 15, 1920.

Relying on the assurance that the United States was ready to enter into a definite agreement, the President of Liberia came to Washington some time ago with other plenipotentiaries to conclude the negotiations. In anticipation of this journey and at the request of this Government, the Liberian Government gave to him and his associates full and necessary authority to conclude the loan plan, and since that time it is understood they have been prepared to sign an agreement providing for the necessary administrative measures adequately to secure the loan.

It should also be pointed out, in appreciating the moral obligation of this Government, that the Republic of Liberia, which had her origin largely through the efforts of American citizens and at various times has sought the aid and counsel of this Government, decided, upon the entrance of the United States into the war, to make common cause with this country and the Allies against Germany. It was largely in consequence of this participation that the economic situation of Liberia was imperiled and that her Government was compelled to make appeal for financial aid. It was in these circumstances that Liberia was assured that the United States, her traditional friend, who had been generous in assistance to the other nations fighting against Germany, would come to her relief.

In view of these circumstances and of the obligation to which they give rise, to which we can not fail to be sensitive, I need not dwell upon the fact that the extension of this loan is highly important from the standpoint of the proper protection and promotion of American commercial interests on the West Coast of Africa. The advantages which will accrue to our people are not to be ignored, although in the presence of the considerations already mentioned they need not be detailed or stressed.

In conclusion, permit me to observe that, apart from any question of our obligation or of any benefits accruing to ourselves, our people have always been especially interested in the welfare of Liberia because of the close relation which its prosperity may be deemed to have to all that pertains to the advancement of the Negro race. The Republic of Liberia has been fostered through American interest, and at this critical time in her history we have opportunity to give a practical expression of our continued solicitude and by coming to her aid in this severe exigency to promote permanent relations of the closest friendship.

Respectfully,

CHARLES E. HUGHES.

The President,  
The White House.

Now, Mr. President, unless the Senate wants me to read it, I shall merely ask to have placed in the RECORD a statement of the Secretary of State of date April 19, 1922, before the Ways and Means Committee of the House, in which he gives in detail the situation just as it exists. In that statement he not only takes the position that there is a moral obligation, but, after reciting what led up to the loan, he made this statement:

It was exercised, and I make bold to say to this committee that I do not think there is any question of legal authority that would survive the analysis of argument before any judicial tribunal.

He does not hesitate to say in his testimony and in his letter that there was a moral obligation, and he expresses the opinion that the transaction went so far that any judicial tribunal would hold that it was a legal obligation.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Virginia?

Mr. SMOOT. Certainly.

Mr. GLASS. May I ask the Senator what the Secretary of State meant, then, if he had the legal authority to do it, by saying that he could not make the loan without congressional action?

Mr. SMOOT. He does not say the legal authority at the present time.

Mr. GLASS. But the Senator is saying for him that he suggests that he had the legal authority to do it.

Mr. SMOOT. Yes; up to the time peace was declared with Germany, and after that he did not have the legal authority. I call the Senator's attention to the fact in his statement the Secretary said that for that reason he has to come to Congress and ask authority; but if he had taken action before peace had been declared with Germany and Austria-Hungary the Secretary said there was a legal right to advance the money.

Mr. GLASS. As a matter of fact, it has not been established here and it can not be established anywhere that there was any legal authority to make loans to fund the indebtedness of Liberia. The only legal authority that has ever existed for this Government to make any loan to any foreign nation was to make loans for the prosecution of the war and for the consummation of the security of this Government.

Mr. SMOOT. And that was what they decided to do, not this administration but the preceding administration, and this administration is carrying out that agreement.

Mr. POMERENE. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I yield.

Mr. POMERENE. I have listened very closely to the reading of the letter of the eminent Secretary of State. I have

very great respect for his opinion, but I think I can fairly conclude that his opinion is based upon some facts or information that he may have which may not be fully detailed in that letter. I call attention to that for the purpose of strengthening the point I made a moment ago; that it seems to me under all of the circumstances the further consideration of this joint resolution should be postponed until we can have an opportunity to read that record. I hesitate about voting these foreign loans, while at the same time I am pretty jealous of our moral obligations and the duty that we may have under them. If I were called upon to vote now, my vote certainly would not be satisfactory to me, whichever way I should vote.

Mr. SMOOT. I will say to the Senator from Ohio that here, for instance, is a portion of a statement which I expect to put into the RECORD:

Now, what is the basis of a moral obligation? I take it to be a promise on which another has acted. We told the Liberian Government that, assuming that the proper provisions for the protection of the loan were provided, this credit was open.

We went further than that. And now I must refer to a confidential paper which I hope will not be put upon the minutes, but which I think you should closely study, and which is found on page 58 of the confidential print.

After further discussion, that was decided not to be printed in his testimony.

Mr. WALSH of Montana. Mr. President, like the Senator from Ohio [Mr. POMERENE], I listened attentively to the reading of the letter, because I was curious to know how it came about that, although this loan was authorized in the month of October, 1918, upon certain conditions to be observed with respect to its repayment and application, and so on and so forth, it never has been consummated, but was held in abeyance until the treaty of peace with Germany was signed.

I suppose that the advances were not made and the loan was not actually consummated because, not unlikely, the conditions respecting the repayment of the loan and the security and that kind of thing were not complied with.

I did not observe from the reading of the letter exactly what those conditions were and exactly what had been done or what had been omitted to be done with respect to the observance of those conditions. Nor are we advised now, so far as I know, that the terms and conditions have even yet been complied with so that the security which was demanded in October, 1918, has been provided.

Mr. SMOOT. I thought that I could turn to the statement which was made by the Secretary of State in which he outlined some of the reasons why action had not been taken even by the former administration. Mr. President, I now ask that the statement of Hon. Charles Evans Hughes, Secretary of State, which was made before the Ways and Means Committee of the House of Representatives on April 19, 1922, be printed in the RECORD. The copy which I hold in my hand is a file copy, and I shall have to ask the official reporters to be sure to return it to me, because I have to return it to the State Department.

Mr. POMERENE. As I understand, the Senator refers to a file copy of the hearings before the Ways and Means Committee of the House of Representatives.

Mr. SMOOT. It is a file copy of the hearings before the Ways and Means Committee of the House of Representatives.

The VICE PRESIDENT. Without objection, the statement referred to by the Senator from Utah will be printed in the RECORD.

The statement is as follows:

[From hearings before the Committee on Ways and Means, House of Representatives, on House Joint Resolution 270, authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia, April 19, 1922, part 2.]

#### CREDIT FOR GOVERNMENT OF LIBERIA.

COMMITTEE ON WAYS AND MEANS,  
HOUSE OF REPRESENTATIVES,  
Wednesday, April 19, 1922.

The committee met at 10.30 o'clock a. m., Hon. Joseph W. Fordney (chairman) presiding.

The CHAIRMAN. Gentlemen of the committee, the Secretary of State is here this morning and has said that he wishes to get away as soon as convenient.

Mr. Secretary, the committee has before it the resolution providing for a loan to the Liberian Government. Certain gentlemen of the committee would like to hear your statement as to why the loan should be made.

#### STATEMENT OF HON. CHARLES EVANS HUGHES, SECRETARY OF STATE.

Secretary HUGHES. Mr. Chairman, I thank you for the opportunity of appearing here and to state the considerations which I think ought to prompt us to make this loan to the Republic of Liberia.

I shall greatly appreciate it if you will permit me to make a consecutive statement, which will only take a few minutes, and then I shall be glad to answer any questions which any members of the committee may desire to put.

There are several considerations which seem to me to support the making of this loan. There is the consideration of the good faith and moral obligation as a consideration of this Government. There is



the further consideration of our historical relation to the people of Liberia, and there is also the consideration of the national interests which are involved.

These various points of view are not wholly independent, and they are not to be considered in a way entirely separate from each other. They are all important.

The consideration of primary importance, as it seems to me, is the one I mentioned first. I think it a point of honor that this loan should be made, and I shall briefly endeavor to explain why I think that the question of primary importance—that is to say, the moral obligation of the United States—is involved.

In September, 1918, the executive department of the Government, acting under the authority of the second Liberty loan act, informed the Republic of Liberia that a credit of \$5,000,000 was opened in its favor.

I shall not go into any lengthy discussion of the question whether that action was authorized under the terms of the second Liberty loan act. I am speaking now not of the legal obligation but of a moral obligation, and I take it that the facts which underlie that obligation are not in dispute.

I may say this, however, as to the authority under the act: The act provided that the Secretary of the Treasury, with the approval of the President, for the purpose of more efficiently providing for the national security and defense in the prosecution of the war, was authorized to establish credits with the United States for any foreign government then engaged in war with the enemies of the United States.

Liberia had entered the war, you might say, at the instance of the United States, and came within the description of these governments. Liberia had greatly suffered by reason of her relation to the war.

I notice from a perusal of the hearings that there has been a good deal of discussion in the committee upon that point. I shall not, for that reason, review the matter.

The authority conferred upon the President was a very broad one, and in time of war was not to be rigidly or strictly construed as to what it was intended to be.

I was here in the summer of 1918. I know the tension of that time. I know that through the summer of 1918 there was the greatest fear that the war would be won by the Central Powers. I know this Government was going to the extreme of expedition in providing every possible resource. There is one consideration alone which, from my point of view, justified the President in this action, and puts aside any legal question. Liberia is a great producer of palm oil, and palm oil is essential in the manufacture of munitions. Palm oil is of great importance in connection with the tin-plate industry, and in connection with the soap industry, and a by-product of that industry is important in the making of munitions; and no court in this country would have considered for a moment, in my judgment, any question of lack of authority on the part of the President of the United States to support the Republic of Liberia as an ally in this war, and to make arrangements to secure to the Allies access to that great source of necessary war supplies.

There is not any reason now, in my opinion, why we should consider this was wise or that was wise. This was a matter of discretion vested in the only one to whom, in time of emergency, it is practicable that this broad discretion can be given under our system of government.

It was given. It was exercised, and I make bold to say to this committee that I do not think that there is any question of legal authority that would survive an analysis or argument before any judicial tribunal.

Of course, you will understand, Mr. Chairman; I have no personal interest in this. I am speaking here merely from the conviction that has been produced from my study of the subject.

Now, what was done, however, quite apart from any legal consideration was this: On August 14, 1918, as you will find on page 114 of the hearings, President Wilson stated to the Secretary of State, referring to this loan of \$5,000,000, that he was in sympathy with the representation which had been made. On August 27, 1918, the Treasury Department informed the Secretary of State that the President had approved the establishment of credit in favor of the Liberian Government in the amount of \$5,000,000.

Further formal communication was made on September 9, 1918, to the Secretary of State by the Treasury Department to the same effect. On September 12, 1918, the Secretary of State directed the legation at Monrovia, Liberia, to inform the Liberian Government of the establishment of that credit.

Now, what is the basis of a moral obligation? I take it to be a promise on which another has acted. We told the Liberian Government that, assuming that the proper provisions for the protection of the loan were provided, this credit was open.

We went further than that. And now I must refer to a confidential paper which I hope will not be put upon the minutes, but which I think you should closely study, and which is found on page 58 of the confidential print. [After further discussion off the record.]

A plan was proposed to the Liberian Government which carried the provision for the supervision and handling of this loan. I may say here, incidentally, that this Government has tried to be very careful in the protection of the interests of the Government in case this loan were made, to see that adequate security was obtained and that the repayment of the loan would be properly assured.

The Liberian Government did not like the terms of that plan, and made certain objections. That was within their competency. Because we had offered to grant the loan did not mean that they had to submit to anything that was proposed, and there was correspondence on the point—insistence on one side and opposition on the other side. They did not think that the plan was a fair one. The result was that President King, of Liberia, with a justice of his supreme court and one or two others, came as a special commission to this country to see if they could work out a suitable plan, and I think they arrived just about the time of President Harding's inauguration. It fell to my lot to look into this matter. I considered it, reviewed what had been done, and I came to the conclusion that as we had notified Liberia that this credit was open, as we had asked the British and French to retire and to make no further plans, and assured them that we had an American program here and did not want or desire anything to stand in the way of carrying out that American program, after Liberia had lost her reasonable opportunities in the meantime to enter into negotiations with others, it was our duty to go ahead and make our word good. I thought that to default on one's word in such case would be regarded among business men in private affairs as very sharp practice, and I felt that it was our duty to go ahead, and I so informed the President. I went over the matter with him.

The result was that this matter was taken up by the present administration. Now, there came about this difficulty: Of course, the war being over, considerable time having elapsed, there was no disposition in Congress to make foreign loans, and there had been many speeches, if my memory serves me correctly, in debates upon the floor, indicating antagonism to any further credit to foreign powers. Further than that, what is more important, was that the second Liberty loan act, as amended, put a certain date of termination upon the credits under the act. I refer to the provisions of the amending act, approved April 4, 1918, that the authority granted by this act to the Secretary of the Treasury to establish credits for foreign governments shall cease upon the termination of the war between the United States and the Imperial German Government.

You remember the resolution of March, 1921, and the proclamation made by the President, if I recall the date correctly, July 2, 1921, and it was my opinion that the foundation for a legal authorization had fallen, and that there should be an authorization by Congress; that that was the only safe way to proceed. I do not think that any executive officer after that situation had been created could safely take the responsibility of either advising or paying any money under the original act, regardless of the fact the credit had been opened in the way I have stated. That, however, did not affect the practical situation at all, and I am not now dealing with the legal question. The legal basis, as to this authority, was gone, but the fact is we had told Liberia she could have the money, and told other governments that we were going to let Liberia have the money, and if that legal basis had not failed, that money would have been put up.

Now, I may come to the second consideration, as I wish to pass very briefly over these matters—our general interest in Liberia. This is one point upon which President Roosevelt, President Taft, President Wilson, and President Harding have agreed. There ought to be some presumption in favor of a view which has such an extraordinary concurrence.

In 1909, at the time of the appointment of the commission to investigate matters in Liberia, Mr. Roosevelt, then President, speaks of our historic relation to, and interest in, the welfare of that country.

Then, Mr. Taft, a little later, said the same thing. It was upon that basis, in connection with the relation of Liberia to the war, that President Wilson directed the Secretary of the Treasury to open this credit. The same consideration appealed to President Harding when he reviewed the circumstances.

We have a very deep interest in the welfare of that Republic.

Now, as to the loan plans: I notice in the hearings that there was some discussion about—at least, it seemed to breathe through the pores of the record—that there was some idea that bankers were back of this, that somebody wanted to get their bonds paid off. There is absolutely nothing in that. I have not had a communication in the last year, since I have been dealing with this matter, from a banker or from anyone interested in bonds.

The truth of the matter is this: These bonds are held, the outstanding bonds, amounting to probably \$1,500,000, which are to be retired under this plan—and I will speak in a moment of the reason for retiring them—they are not held by Americans or by anybody that would be interested in the influencing of this Government. I understand that there are about \$58,000 of the total of \$1,500,000 held in this country.

Mr. MILLS. I got the figures in New York, and there it is estimated that they are \$10,000.

Secretary HUGHES. I know, and I was going to say in a moment that that was my personal information, that it was only about \$10,000; but my record information, the only thing that I am entitled to state to this committee, is that it is approximately \$58,000. Personally, I believe it to be much less.

There is a considerable amount held in England; a considerable amount held in Holland; a considerable amount held in Germany; widely distributed among private investors.

It is quite obvious that we can not as a Nation enter into the plan with respect to Liberia and be in the position of a second mortgage. We can not go into that and leave this so-called international receivership outstanding. If we go into it, we should go in and clean up the outstanding loans; that is, go in just as any business man would go into an enterprise of that sort with his rights secured by a first lien and with nobody to question his supervision, because it is important that there should be very close supervision there.

If I may say to the committee, I do not think that the provisions we have put into this agreement to secure us ought to be less effective than they are. Those provisions make sure that everything will be done in the way of supervision which will be necessary to secure the results we want to see obtained, and I do not think that provisions of the agreement go beyond that. I hope you will think it is adequate for that, but we can not afford to go in without cleaning up the loans that are already outstanding and have the others withdrawn from the participation in the existing receivership and have a new organization of Americans designated by the United States, appointed, of course, by the President of Liberia, who will have the sole supervision.

Now, of course, I do not think that the margin is very great between what these bonds are held at in the market and what will be paid for them at par under this plan. That sort of thing is inevitable, but it does not mean that there has been any attempt to influence this transaction or that anybody else has had anything to do with this plan for their personal advantage.

Nothing has arisen or come to the attention of the State Department of that sort in any way, shape, or form. This is a business proposition. I feel that we should make this loan.

We should not make this loan unless we go in there with a first lien adequately protected. We can not get that unless we pay the others off.

I also wish to say this, that to which I have already adverted, I will say for the record that the consequences of a failure to give this authority, from my point of view, which, of course, with all deference, I merely submit for your consideration, would be lamentable in the first place with respect to the position of the United States before the world, not only before Liberia, but before the world.

Next, it would be most lamentable for Liberia and, third, it would forfeit to the United States an opportunity which ought not to be held as the chief motive in entering into this enterprise, but which we can very properly consider an opportunity which confers without prejudice to the interests of the people of Liberia certain natural advantages from the association which the making of this loan would create.

I thank you very much for permitting me to come before you.

The CHAIRMAN. Are there any members of the committee that desire to ask the Secretary any questions?



Mr. FREAR. I should like to ask a couple of questions, which you may answer outside the record if you care to do so. And I think it is proper to say that we will accept your opinion above that of anyone else upon this question.

From September, 1918, to November, 1920, the time that the loan was withdrawn by the Government, a period of over two years, could you tell the committee what occurred in reference to this credit during that time? The record does not seem to indicate fully, and I thought possibly you had the information.

Secretary HUGHES. During the first year of that period you will find what took place stated in Secretary Lansing's letter, which is a confidential communication, which I read.

Mr. FREAR. That is the one you read to the committee?

Secretary HUGHES. Yes; he states what had been done during that time. Then a plan was developed and submitted to Liberia. That was discussed by them, and they were opposed to it. That took the remaining period to which you refer.

Mr. FREAR. That is, during two years?

Secretary HUGHES. Yes.

Mr. FREAR. There is one other question that occurs to me. One and a half million dollars of the amount to be loaned will practically cover the liability of Liberia. They have founded this claim on the agreement of the President during the war to extend a credit of \$5,000,000. At this time what is the necessity for extending a credit of \$5,000,000 unless Liberia has been put to some disadvantage by reason of the credit, in view of the fact that only \$1,500,000 will cover their indebtedness? Of course, some additional amount, I assume, will be necessary; but why place the amount at \$5,000,000?

Secretary HUGHES. Well, there is a reason for the loan being in excess of the \$1,500,000, and this is the reason: We are not obliged, and the United States should not desire, to make this loan merely to take up the other loans. That is only a condition precedent, and it is a necessary preliminary to undertaking the thing that has to be done. The loan is for the purpose of resuscitating Liberia. They have not got their public works, their roads, and can not develop their resources. They largely lost, during the war, their trade. They were impoverished. We would not make any loan at all to them, as a business proposition, until we could see that there would be resources developed, and that sufficient resources would be developed to give reasonable results.

Now, of course, as I explained a moment ago, the payment of this first loan, the existing loan, is necessary to get into position to help them. The question is, how much money is needed after they get in that position to accomplish results?

We have studied the general proposition—

Mr. FREAR (interposing). I was going to say that the committee has read the general purposes contained in the report. There is one other question that I want to ask. What would be the effect of this proposition as a precedent for claims upon the Government for loans by other Governments?

Secretary HUGHES. I do not know of any case like this. I do not know of any case for which this would be a precedent. I think that our relations with Liberia are such, and we have offered to loan them under such circumstances, that in view of the present difficulty and of what we have told other Governments there has been created a unique situation. I think that I know the relations of the United States to every other Government, and I do not think that there is one which this would furnish a precedent by which we could be called upon to make another loan.

Mr. TREADWAY. May I ask one question in connection with those of Mr. FREAR?

The CHAIRMAN. Yes.

Mr. TREADWAY. I judge from your statement that you did not consider, Mr. Secretary, the fact that Liberia declined the conditions made by Secretary Lansing in 1918 or 1919, and the fact that she declined those conditions, would in any way renew our moral obligations?

Secretary HUGHES. No; that declination was immediately followed by the resumption of negotiations to secure other terms. We continued in treaty with her.

Mr. TREADWAY. It did not conclude the agreement President Wilson made to make the loan?

Secretary HUGHES. Oh, no. It merely led to their sending a commission, sending their President over here to thrash out these difficulties, and in that way succeed. And we have gotten their signature to a more comprehensive plan at the present time than before. Of course, we were governed somewhat in that by the conditions that intervened. But the negotiations continued.

Mr. GARNER. Mr. Secretary, when did Liberia enter the war?

Secretary HUGHES. In 1917. I have forgotten the time—August, I think.

Mr. GARNER. August, 1917?

Secretary HUGHES. Yes.

Mr. CRISP. Was it not 1918, Mr. Secretary?

Secretary HUGHES. No; I think it was 1917.

Mr. GARNER. And this credit was created then?

Secretary HUGHES. In 1918.

Mr. GARNER. This loan was authorized in 1918?

Secretary HUGHES. Yes.

Mr. GARNER. Liberia's interest in this war was really to benefit Liberia, was it not?

Secretary HUGHES. Well, I should think that one would have to be a very close judge of benefits and disadvantages in order to pass judgment upon that. I should say that Liberia was in a terrible plight, and we wanted her cut off from the Central Powers; we wanted her cut off from any opportunity of their utilization of its resources in carrying on the war.

Mr. GARNER. Well, when Liberia declared war she was in a very precarious condition with reference to trade matters?

Secretary HUGHES. Yes.

Mr. GARNER. And she entered the war and thereby got the benefit of having the Allies purchase her palm oil and other necessary articles?

Secretary HUGHES. Yes.

Mr. GARNER. But she did not contribute either men or money to the Allies for the conduct of the war?

Secretary HUGHES. Her contribution was that the Germans were shipped out of the country. The Allies had a complete opportunity for utilization of her resources. She was absolutely denuded from the standpoint of resources and revenue, and in that plight some help was necessary, and the United States said, "We will give it." Then we said to Great Britain and France, "Now, we are going to handle

this," and then long negotiations resulted by which that arrangement was made.

The conditions to which you refer were the conditions which led to the United States pledging its credit.

Mr. GARNER. I merely want to get the idea of our moral obligation. I think you will agree, probably, that the purpose of Congress at the time they authorized the loaning of money to the foreign countries was that they might contribute to the success of the war.

Secretary HUGHES. Well, Liberia did.

Mr. GARNER. And giving money at this time to the development of the Republic of Liberia undoubtedly will not contribute to the success of the war.

Secretary HUGHES. If you will look at the matter from the standpoint of August, 1918, consider the condition that we were in then, the control of the resources of Liberia could be regarded as just as essential to the effective prosecution of the war as that which attended the development of a railway to reach spruce out at Olympia, or anything else that was done.

Indeed, anybody looking at the situation then with regard to the manufacture of munitions and not knowing when the war would terminate would very naturally have reached the conclusion that was reached. It was not a question at all whether Liberia could furnish men, but that was a strategic point. That was a place with resources which should be conserved for the benefit of the allied arms.

Now, may I say that on the question of legal authority on the part of the President, Mr. Wilson, it is necessary merely to find whether that was a possible point of view on his part, and not whether it was the point of view of anyone else.

Mr. GARNER. Well, admitting that he had the legal right—and whether he had or not he assumed that legal obligation, that right, when he authorized the loan—but the Treasury Department was in such doubt about it that the Secretary asked the President to give special authority?

Secretary HUGHES. Yes.

Mr. GARNER. Indicating that there was some doubt. Anyway, the Treasury did not want to take that responsibility.

Secretary HUGHES. Well, the President did take it.

Mr. GARNER. Yes, Mr. Secretary. Do you consider the correspondence in your office in the matter of making loans to foreign governments a moral obligation on the part of Congress?

Secretary HUGHES. I consider the direction of the President of the United States and the act of the Secretary of the Treasury authorizing the Secretary of State to inform foreign governments of the opening of the credit, and the action in reliance upon that, created the highest possible moral obligation, certainly when that action was taken under an act of Congress which had given that authority.

Mr. GARNER. In other words, if your office should negotiate with foreign governments with reference to a loan to any particular government, you would consider that a moral obligation on the part of Congress to appropriate the money?

Secretary HUGHES. That is as far from what I said as the east is from the west. I said nothing which would permit of such an inference, with all deference. I was considering a case where the President had acted under the authority of Congress, believing undoubtedly he had authority to act, authority couched in general terms; and I think that he certainly felt that he was basing his judgment upon the fact that the action was needed, and, after the Secretary of the Treasury had also acted under that authority, under the same authority of Congress, and the Secretary of State had communicated this to foreign governments, this action authorized by our own legislation in time of war created a moral obligation to make the promise good.

Now, that is as far from any suggestion that we can create an obligation by negotiating loans—which, by the way, we do not undertake—that I would not discuss it.

Mr. GARNER. You base your statement upon the moral obligation that the loan was already authorized, the lending of this \$5,000,000, in 1918?

Secretary HUGHES. Well, I would say that I base it upon that and the fact that it was communicated and relied upon and was an announced program to other governments and was the basis on which they withdrew from negotiations.

There is nothing like it in any other case.

Mr. GARNER. If the Congress should disagree with the President as to his legal authority to make this loan, would the Congress then be morally bound?

Secretary HUGHES. The Congress must be its own judge of its moral obligations.

Mr. GARNER. Well, you stated, and if you were a Member of Congress—I will put it very clearly—if a Member of Congress investigated this matter and came to the conclusion that the President was not authorized under the Liberty loan act to order this credit of \$5,000,000 to Liberia, would he be morally bound to support this bill?

Secretary HUGHES. Well, I do not think that his conviction as to the lack of authority of the President could in any way dispose of the question of moral obligation. He would first have to consider whether that was merely arbitrary action on the part of the President or whether he believed that it was taken in good faith, assuming that authority existed. He would have to consider whether there was a reasonable basis for that judgment on the part of the President. He would necessarily have to consider the light in which this country would be placed when this country, through its President and its executive officers, had acted and communicated that action through diplomatic channels to the other Governments, and he would be presumed to know that a question of legal right and a question of moral duty are not the same.

Of course, you can never settle a question of moral duty by a mere question of legal right. If you could, there would be no distinction between a legal and moral obligation.

We are dealing here in a forum of honor. Now, in that forum you have nothing to guide you but your individual conscience, as I think you appreciate.

I submit that these are my convictions, and that this is a point of honor. I can do no more than state it.

Mr. FREAR. Mr. Secretary, from your study of the record, do you think that when President Wilson acted in creating the \$5,000,000 loan it was for war purposes only, or do you think that it was for the payment of these indebtednesses which had been incurred before, and for exploitation as well as the conduct of the war?

Secretary HUGHES. I do not think that it had anything to do with the payment of existing indebtedness, except as that was a necessary preliminary to giving the help which he thought ought to be given.



Mr. FREAR. You think that it had nothing to do with the proposed method of exploitation?

Secretary HUGHES. The loan—I think I should not use the word "exploitation," because that is a word which is susceptible of different meanings, a good and a bad—

Mr. FREAR. I mean the better.

Secretary HUGHES. I think that the President had in mind the economic rehabilitation of Liberia, but I do not think that the President is justified in loaning money on that alone, and it must be assumed, consequently, under our system of government, that he believed that that would be a very effective method of prosecuting the war. He tried to put it on a sound basis, and the mere fact that the money was to be used for the economic rehabilitation of a country which could be an effective ally would not detract from the authority to make the loan. But that, as I said a moment ago, is not the whole consideration when you come to look at the situation which has been created by the fact that the loan was authorized, that these negotiations were continued, and that we stand before the world as having promised this \$5,000,000, of having said we would do this thing. We go ahead and proclaim to the rest of the world that we would help this country, in which we have said for generations that we had a special interest, and then, in the language of the street, we "duck" it.

Mr. CRISP. Mr. Secretary, have you any figures as to the total amount of indebtedness of Liberia, bonded and floating, that this loan was to pay, such indebtedness having arisen even before the European war started?

Secretary HUGHES. I think that you will find those figures in this statement, in the record of the hearings, at page 47. You will find the various items of floating indebtedness, and, running over to page 48, you will find a list of small items. The total is \$2,189,000, which I understand was the amount. This is the amount of the present indebtedness.

Then the rest of the purposes of the loan are indicated in the items stated below that.

Mr. CRISP. Now, Mr. Secretary, there is one other question. As I understand, the population of Liberia is partly civilized and partly uncivilized. How many are civilized?

Secretary HUGHES. About 60,000.

Mr. CRISP. Do you know how many others there are?

Secretary HUGHES. About 2,000,000 in all.

Mr. TILSON. Mr. Secretary, I would like to get your opinion as to whether the terms upon which this loan is proposed are such as to reasonably assure us that it will be wisely spent for the proper development of Liberia.

Secretary HUGHES. Those things were all very carefully gone over in the State Department and then submitted to the Secretary of the Treasury, and his letter reporting upon the plan is in the record of the hearings. It was gone over from the point of view of assuring to the utmost extent that we should have the necessary supervision; and, of course, while some of those features were not popular with the Liberians, we felt that when we came to this point we could not afford to be placed where we would not have the security which would protect us.

Mr. TILSON. Then, as to the repayment of the loan, do you regard the conditions upon which the loan is made are such as to justify us in the belief that this loan is a good loan in a business sense?

Secretary HUGHES. I think it will be; yes. I think it will be a good loan, both in the direct sense and in the indirect sense.

Mr. OLDFIELD. Has a contract been drawn up between our State Department and the Government of Liberia, giving the terms of the loan?

Secretary HUGHES. That is in the record.

Mr. OLDFIELD. That is in the record?

Secretary HUGHES. Yes, sir. Now, I will tell you what was done. When Mr. King, the President of Liberia, with his commission, was here, we had a plan prepared which you will find in the record of the hearings, beginning on page 124, a plan for this loan, and we had it signed up by the representatives of Liberia, subject to the approval of Congress; that is, subject to the authorization for making the loan, so that the thing is all done so far as they are concerned. They are committed, so far as that is concerned.

Mr. OLDFIELD. What is the date of that contract, if you have it there?

Secretary HUGHES. It is in the record. It was dated October last.

Mr. MILLS. They have never defaulted on any of their bonds, have they?

Secretary HUGHES. I think not.

Mr. HAWLEY. Mr. Secretary, your judgment is that this is a matter that should be handled under contract with Liberia rather than with a treaty?

Secretary HUGHES. Yes, sir; it is a loan contract.

Mr. HAWLEY. Would we enter into such an arrangement with a larger country, like England—

Secretary HUGHES. We have.

Mr. HAWLEY. Where we would go into and develop the country and also take charge of their Government, so far as the collection of the taxes are concerned, in paying their employees as well as our own?

Secretary HUGHES. Those conditions, of course, do not apply in the case of other countries. We are going to do that in order to insure that they get the benefit of the loan and to meet a necessary situation, which, of course, would not exist elsewhere.

Mr. GREEN. Mr. Secretary, there is just one other thing with reference to the practical question that the committee finds in the way of the passage of this bill. You spoke of the opposition in Congress to further loans. I feel somewhat like the State Department may have underrated that opposition. We had so much difficulty, even under the conditions which we presented in a most pitiful situation with reference to Austria, where we were not advancing a single cent or not releasing anything of any value to this country in the passage of that bill, that the committee feels very strongly this opposition.

Secretary HUGHES. I can well understand that; but, on the other hand, my duty and obligation end in presenting to the Congress through the committee what I believe to be the essential facts, and I can not bring myself to believe that under the circumstances of this particular and important situation Congress would not realize how deeply the honor and the good faith of the United States are involved.

The CHAIRMAN. Gentleman, if that is all—

Mr. CRISP (Interposing). Mr. Chairman, in view of the confidential nature of this subject, in the preparation of the record, when the proof is prepared I would suggest that it be submitted to the Secretary, and let him strike out such portions as he sees fit.

Secretary HUGHES. I thank you very much. Of course, I do not want to hold anything back from the Members of Congress, but many of these things got across the 3-mile limit.

Mr. CRISP. I understand that thoroughly.  
(Whereupon the committee adjourned.)

#### ADDENDA.

THE WHITE HOUSE,  
Washington, April 1, 1922.

Hon. JOSEPH W. FORDNEY,  
Chairman Ways and Means Committee.

MY DEAR CHAIRMAN FORDNEY: I have just learned that the Ways and Means Committee has informally decided to defer action for a couple of weeks in dealing with the proposed loan to the Republic of Liberia. I most heartily approve of the thought of the committee to fully understand the uses to which the loan is to be applied, and it is quite proper that Congress should be assured that there is abundance of security. Surely this information can be given to the committee in the most satisfactory manner without great delay.

My understanding is that the committee was furnished by the State Department with full information as to what application of the funds the Government of Liberia desires to make. These purposes were approved by the State Department in its conferences with the Liberian Plenary Commission. There seems to be no doubt about the loan being perfectly safe as a financial proposition, and arrangements are agreed upon to make certain of the payment of interest and the redemption of the principal. If there is a lack of satisfactory information, I am sure the State Department would be more than pleased to make a speedy response to any inquiry on the part of the committee.

The simple truth about this loan situation is that our Government is unable to deal with the Republic of Liberia in that good faith which is becoming a great Republic like ours. This loan was pledged to the Republic of Liberia by the previous administration, and the funds would long since have been furnished that Government except for the delay incident to the making of arrangements to guarantee its wise expenditure and certain repayment. Pending these arrangements our Government has stood in the way of the grant of the loan by any other nation, and we find ourselves in the position of denying financial assistance from others and unable to keep faith in the pledges made for ourselves. I do not believe your committee or the Congress wishes to put the Government in this position. I wish you would place the matter before the committee, so that we may have the earliest possible decision.

Very truly yours,

WARREN G. HARDING.

DEPARTMENT OF STATE,  
Washington, April 5, 1922.

MY DEAR MR. FORDNEY: I have received your letter of April 4, 1922, with reference to the resolution to grant a loan credit of \$5,000,000 to Liberia, now before the Committee on Ways and Means, upon which action has been postponed.

It is very gratifying to learn that you are personally in favor of this loan and that at your request further consideration of the resolution was merely postponed for two weeks rather than indefinitely, as proposed in the committee.

The matter of granting this loan to Liberia is regarded as of such importance as to move me earnestly to urge the Committee on Ways and Means to take prompt favorable action on the resolution as soon as possible. I am fully convinced that this Government has made commitments which have placed it under a moral obligation to make this loan. The origin and nature of this obligation is, I feel, completely disclosed in the documents already transmitted to the committee and included with the printed hearings on this question.

It should not be forgotten that Liberia made common cause with this country and the Allies in the war against Germany, and largely as a result of this action so imperiled her economic situation that her Government was compelled to appeal for financial assistance. In response to this appeal a loan credit of \$5,000,000 was extended by the Secretary of the Treasury on September 9, 1918, pursuant to an act of April 24, 1917, "to authorize an issue of bonds to meet expenditures for the national security and defense, and for the purpose of assisting in the prosecution of the war, to extend credits to foreign governments, and for other purposes."

Because of unavoidable delay, a plan to control the application and administration of this credit was not submitted to the Liberian Government until June 15, 1920. Certain modifications were requested in this loan plan by the Liberian Legislature, but there was no question of the withdrawal of the offer of the money already promised, the time when the credit should be made available merely depending on satisfactory agreement as to details of administration.

Such an agreement was concluded on October 28, 1921, with the Liberian Plenary Commission, which came to Washington for that purpose. President King, of Liberia, was the head of this commission. The loan arrangement was laid before the Liberian Legislature at its last session by President King, and that body approved the plan without change on January 23, 1922. The terms of this loan plan are now publicly known in Liberia, and those European countries interested in Liberian affairs, as well as in the United States. While the broad authority conferred in connection with the prosecution of the war may have been considered adequate to the consummation of the plan, the fact that this authority may not be deemed longer to exist, although making it impossible to proceed without congressional sanction, does not alter the fact that assurances were given which should be fulfilled.

Failure to grant this credit would not only display an unfortunate indifference toward our moral obligation in the premises but also it would undoubtedly react disastrously upon the welfare of Liberia and reverse the policy of disinterested helpfulness which has characterized the attitude of this Government toward that Republic throughout its history.

The information furnished the committee as to the uses to which Liberia desires to put the loan is entirely reliable. These uses were determined by the Department of State in conjunction with the Liberian Plenary Commission after extended conferences. Every item was given careful consideration, and the proposed expenditures for public works were based on reliable estimates by competent American engineers.

The department is also satisfied that the loan is a sound financial venture and that the resources and revenues of the Republic under normal conditions and proper administration are adequate to meet the



administrative expenses of the Government of Liberia as well as to carry the interest and repay the principal of this loan.

These observations are made with the hope that they may be serviceable to the committee in reaching a full understanding of this matter and facilitate action on the resolution.

Sincerely yours,

Hon. JOSEPH W. FORDNEY,  
House of Representatives.

CHARLES E. HUGHES.

DEPARTMENT OF STATE,  
Washington, April 17, 1922.

MY DEAR MR. FORDNEY: Referring to my letter to you dated April 5, with regard to the urgency of the matter of reestablishing the \$5,000,000 credit for the Government of Liberia, I have to advise you that the department has just received additional information by cable from President King of Liberia that, due to the prolonged delay in securing financial aid, a very serious financial crisis confronts the Republic.

I am also informed that the current financial arrangement under which the Government was being advanced sums for administrative expenses comes to an end this month on account of the exhaustion of the credit upon which it operated. The Government is therefore gravely embarrassed.

In view of these circumstances the President of Liberia has urgently requested this Government to make some definite expression as to when the financial assistance requested may be expected.

I am so thoroughly impressed that we should fulfill without further delay the moral obligation of this Government to reestablish the credit that it seems necessary to call these recent developments to the attention of the Committee on Ways and Means in keeping with your recent request for information. Unless prompt action is taken on the credit for Liberia, events seem sure shortly to develop into a situation with grave consequences for the Republic.

Any information you may be able to furnish me as to the progress the matter of granting this loan credit is making will be highly appreciated.

Sincerely yours,

Hon. JOSEPH W. FORDNEY,  
House of Representatives.

CHARLES E. HUGHES.

Mr. POMERENE. I desire to ask the Senator from Utah a couple of other questions in regard to this matter. The agreement to which the Senator from Montana [Mr. WALSH] referred a moment ago was made, as I recall, in October, 1918. The statement was made on yesterday that the Liberian Republic had no army or navy and that it had furnished no troops, as I recall. I drew the inference, therefore, that whatever was done with respect to this loan was for the purpose of securing the fund for purposes other than war purposes. The Secretary of State, Mr. Hughes, refers to the fact that the Liberian authorities, relying upon this conditional agreement, had made certain commitments. What were those commitments?

Mr. SMOOT. I think one of the commitments was that they should pay the obligations owing to foreign governments.

Mr. POMERENE. But many of those obligations were not yet due.

Mr. SMOOT. Oh, yes; some of them were due; in fact, I think most of them were overdue.

Mr. POMERENE. But the statement which was read this morning indicated that some of those bonds will not be due until 1952.

Mr. SMOOT. That is true only as to a small part of them, I will say to the Senator from Ohio. The loans were made in 1912.

Mr. POMERENE. Then, it all resolves itself into this: The Liberian Government had a proposition from the United States Government to the effect that the United States would make a certain loan to the Liberian Government provided that Government complied with certain conditions, and those conditions have not yet been complied with. It would seem, from the statement which the Senator from Utah has made, that with this conditional proposition before them the Liberians went to some of their creditors and suggested that when they got this money they would pay.

Mr. SMOOT. Mr. President, the Government of the United States took the position—and the Secretary of State so testified—that it would not advance any money to Liberia so long as Liberia owed debts to any foreign countries. We must remember that as soon as Liberia declared war against Germany the German submarines attacked the Liberian ports. Prior to her declaration of war nearly all of the business of Liberia was done with Germany. Nine of the leading institutions in Liberia were operated by Germans. Liberia's whole trade, outside of the little carried on with England, France, and the very little with the United States, was transacted with Germany. Liberia declared war upon Germany. It is true that any navy that Liberia may have had and any army she may have put in the field had no effect upon the result of the war; but her position was such that at least the administration prior to the present one thought that it was the best of policy to have her declare war against Germany, and I myself think that declaration had a good effect upon the colored race in this country during the recent war.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Utah yield to the Senator from Montana?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. Can the Senator tell us when Liberia declared war on Germany?

Mr. SMOOT. As I recall it was in August of 1917.

Mr. NORRIS. It was in August, 1917.

Mr. WALSH of Montana. So the transaction in regard to the loan occurred a year or more after Liberia had declared war.

Mr. SMOOT. Yes; there is no doubt as to that.

Mr. WALSH of Montana. So that Liberia was not induced to declare war by this arrangement at all.

Mr. SMOOT. Not by this arrangement, so far as I know; but the effect of her declaring war put her in a disadvantageous position so far as her former trade was concerned.

Mr. GLASS. Mr. President, may I not ask the Senator if, as a matter of fact, it did not put her in a very advantageous position?

Mr. SMOOT. No; it did not.

Mr. GLASS. The German fleet had been swept from the sea; the British fleet was dominant in all the waters of the earth; and had Liberia not declared war and had she undertaken to pursue any trade with Germany the British Navy would have interrupted that trade and would have destroyed it; so that when Liberia declared war she practically put herself under protection of Great Britain and the United States and opened the channels of trade.

Mr. SMOOT. The German submarines attacked Liberia's trade, and, as the Senator knows, her commerce fell off until it amounted to nothing to speak of; she was living within herself. Not only that, but her ports were bombarded by the submarines.

I wish to say further to the Senate that former President Theodore Roosevelt, former President Taft, and former President Wilson, in letters written by them, spoke of the advisability of this Government having close connection with Liberia; and, furthermore, I should like to say to the Senator from Ohio that it was very necessary for us to secure some of the products of Liberia found necessary during the war.

Mr. NORRIS and Mr. POMERENE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom? The Senator from Nebraska first addressed the Chair.

Mr. SMOOT. I will yield to the Senator from Nebraska, and then I will yield to the Senator from Ohio.

Mr. NORRIS. I will yield to the Senator from Ohio, because my question does not pertain to this particular branch of the subject.

Mr. POMERENE. Mine does; and so I thank the Senator. The Senator from Utah has referred to letters written by former President Roosevelt, former President Taft, and former President Wilson. Did they in their letters have reference to this particular loan?

Mr. SMOOT. They did not have reference to this particular loan but to the advisability of close relations between the United States and Liberia.

Mr. POMERENE. They spoke generally of relations between the two countries?

Mr. SMOOT. That is what I said.

Mr. POMERENE. I would accept that view. However, I am not on the committee which has had the opportunity to study this question. I have listened to the opinion which has been expressed by the distinguished Secretary of State in declaring that there is a moral obligation, and I have heard expressed with equal positiveness the opinion of the distinguished Senator from Virginia [Mr. GLASS], a former Secretary of the Treasury, who usually informs himself before he expresses an opinion, that there is no such moral obligation. I can not, in view of these diametrically opposite opinions, come to a conclusion that is going to satisfy myself. I have come to the conclusion, however, that if a motion is made to recommit this bill I shall vote to recommit it, and I think that Senators ought to permit that to be done. If there is a moral obligation, I am going to vote for this loan; but I have got to be satisfied on that point.

Mr. SMOOT. I wish to say to the Senator that, so far as I am concerned, I feel in my very soul and being that there is a moral obligation on the part of the Government of the United States to Liberia to advance this money to her. If I, as an individual, were in the position of the Government and the same transaction had occurred between Liberia and myself, I would feel under a personal obligation to carry it out.

Mr. POMERENE. If the Senator will permit me, if I felt as he does, I should certainly vote for the joint resolution. On

the other hand, if I felt as does the Senator from Virginia, I would vote against it; all of which indicates, it seems to me, the wisdom of having the joint resolution recommitted, so that Senators who want to investigate the question shall have an opportunity to read very carefully the entire record.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I yield.

Mr. NORRIS. I desire to ask the Senator a question as to another phase of the subject. I understand that there was advanced out of the Treasury of the United States \$26,000 to pay the expenses of a delegation from Liberia to the peace conference. Is that to be repaid to our Government out of the proposed loan to Liberia?

Mr. SMOOT. Every indebtedness incurred by Liberia in relation to this loan is to be paid out of the money appropriated by the joint resolution.

Mr. NORRIS. Am I correct in my information that we did pay out of the Treasury of the United States the expenses of the Liberian delegation?

Mr. SMOOT. I can not tell the Senator whether that is the exact amount or not.

Mr. NORRIS. There was a delegation here from Liberia?

Mr. SMOOT. Yes; but I do not know—I can not say as to the amount our Government paid.

Mr. GLASS. The record shows it very clearly, Mr. President. The record shows that we paid \$26,000 for the expenses of that delegation to the peace conference; and I have said, and I repeat, that it is the only commitment made by this Government that I think can not be justified.

Mr. NELSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. NELSON. If the Senator will allow me, in the report sent up by the Treasury Department to the Judiciary Committee, containing all the data they had in the departments in reference to these foreign loans and commitments, there was this item for Liberia—\$26,000, I believe. That was actually advanced to pay these expenses, and the Treasury Department so reported.

Mr. SMOOT. Mr. President, I said that I had not seen any papers in which it was stated positively that that advance was made; but, be that as it may, whatever advances have been made by the Government will come out of the \$5,000,000 loan. There is no question about that.

Mr. President, yesterday the statement was made that this was simply a gift to the bankers in New York. I do not think a statement of that kind ought to be made upon the floor of the Senate. There is nothing to justify it. I feel just as positive as that I live that no such thing is ever going to happen. If this loan is made to Liberia, she will have to give a first mortgage, as it were, upon Liberia to the Government of the United States. No obligations will be left unpaid, and whatever there is over and above the obligations now owed by Liberia between the amount owing and the advance of \$5,000,000 will be expended by Liberia, I think, in a way that will ultimately result in an increase in the commerce of the United States. While that need not be taken into consideration in deciding how we shall vote on this joint resolution, I think it is worthy at least of passing notice, and it is only carrying out the desires expressed by the last four Presidents of our country.

Therefore, Mr. President, apologizing to the Senate for occupying this length of time, I will close by simply saying that I hope this joint resolution will become a law.

Mr. NORRIS. Mr. President, I am somewhat amazed and astounded that any Senator should oppose the granting of this paltry sum of \$5,000,000 to Liberia for the great efforts she put forth and the great results she accomplished in winning the World War.

How soon we forget! Senators have forgotten, when we were in the midst of that terrible struggle and President Wilson was engaged in deliberations with the Liberian Government with a view to having them come in on our side, how we all held our breath and prayed that he would be successful. It was a stroke of genius on the part of our President when he undertook to perform this masterpiece of diplomacy by getting that great Government in on our side. We seem to have forgotten it, Mr. President. When those deliberations were going on, there were going up from all parts of our country hopes and prayers that he would be successful in those negotiations. The widow whose only son had volunteered to fight on foreign soil was praying that Liberia would come in. The banker in the countinghouse, in order that his bonds and obligations might

be good, was hoping and wishing that President Wilson would be successful in convincing Liberia that our side of the cause was just. Not only was there great hope on the part of our people and all of our allies that Liberia would lend her wonderful power on our side, but there was great fear in the camp of the enemy that our President would succeed in getting Liberia in.

Liberia came in, Mr. President; and when she did there was great rejoicing everywhere. Everybody knew that the issues of the World War were practically settled. They knew that in no war in history had the Liberian hosts ever been defeated, or the Liberian Navy ever been conquered; and again the enemy shuddered with fear. The aim of the German soldier became less steady. The very foundations of the German Government began to shake in fear and trembling. The Kaiser himself turned from a dark brunette to a pale blond. His hair stood on end, and his mustache straightened out when Liberia entered the war. Rich and poor alike were rejoicing over that great accomplishment of statecraft that our President had brought about. Even the shepherd on the hills, with a heart full of rejoicing and joy, turned his face to the rising sun and cried aloud: "The world is made safe for democracy! Liberia has entered the war!"

She did not come in halfway. She put her entire army into the fray; she put her whole navy out against the German submarines; and it is a historical fact, Mr. President, that during that long and bitter struggle the banner of Liberia never once went down to defeat. Her soldiers were so well trained, her officers were so well equipped in military affairs, that never once was a Liberian soldier captured as a prisoner; and, Mr. President, within six months after she came into the war there was not a single, solitary German submarine in the rivers or the harbors of the great continent of Africa.

But Liberia did not stop at fighting the war. Her loyalty continued after it was over. She was at the peace conference at Versailles. It is true that at that time she was hard up; she did not have any money, and the expenses of that delegation were defrayed out of the Treasury of the United States.

Congress had not appropriated any money; Congress had not passed any act that authorized it; but, knowing the wonderful help and assistance that Liberia could be to America at that conference, President Wilson or some of his advisers took the money out of our strong box, sent it to Liberia, and paid their expenses—\$26,000, Mr. President. I doubt whether our President would have succeeded in getting his League of Nations over there if it had not been for the assistance of those diplomats from Africa; and think of it, Mr. President—those dark-colored statesmen from Liberia in Paris with 26,000 good American dollars in their pockets! Ah, Mr. President, in this far-away, prohibition-afflicted land, it almost makes your mouth water; it almost gives me the hiccups, Mr. President, to talk about it.

But they were successful; and now, after all of this great assistance from this great country, they have come here and said: "We want our pound of flesh," and the cry is even made: "We can not afford it. It will increase taxation." Why, Mr. President, can we overlook such a little obligation as that when the results of their labors have been so great? Can we forget so soon that they brought certain success out of what might have been absolute failure and defeat? And are we going now to say that we will not pay them this little sum of \$5,000,000?

It is true that we have some expenses at home. We have not yet paid our soldiers adjusted compensation, but our soldiers have been waiting a good while. They are used to it. They can wait a little longer. These Wall Street bankers who will get a large portion of this sum if we pay it have been waiting some time, and they can not wait any longer. There is but one course to take, it seems to me; and we ought without delay and without any hesitancy to pass this joint resolution and open up the Treasury of the United States to that great Government over in Africa that came to our relief when our Nation's very life was in danger.

Mr. SIMMONS. Mr. President, I send to the desk and ask to have read a motion which I desire now to lodge.

The PRESIDING OFFICER. The Secretary will read the motion.

The reading clerk read as follows:

I move that the pending joint resolution be recommitted to the Committee on Finance, with instructions to said committee to report the same back to the Senate with all matter stricken therefrom except the amendment proposed by the Senator from Idaho [Mr. BORAH], and agreed to, appropriating \$20,000,000 for aid for Government reclamation projects, and the amendment proposed by the Senator from Mississippi [Mr. HARRISON] relative to additional inspectors to carry out the provisions of the railroad safety appliance law of February 17, 1911.



Mr. SIMMONS. Mr. President, I simply desire to say a few words in reference to some statements made by the Senator from Utah [Mr. SMOOT].

Mr. CURTIS. I understand the motion of the Senator from North Carolina is not in order until after the third reading of the bill.

Mr. SIMMONS. The bill is in the Senate, I understand.

The PRESIDING OFFICER. The bill is in the Senate, but the Senate has not yet acted on the amendments made as in Committee of the Whole. The Chair did not understand the Senator from North Carolina to make the motion at this time.

Mr. SIMMONS. I simply wished to lodge it.

The PRESIDING OFFICER. That is what the Chair understood.

Mr. SIMMONS. Mr. President, in the remarks of the Senator from Utah he expressed the opinion that it was important to this country that we should have friendly and active trade relations with the little Republic of Liberia. He stressed the importance of that trade. He also said we had never enjoyed very much of it.

It is true, Mr. President, that Liberia seems to have pretty fair trade for a country of its size. It was brought to the attention of the Senate on yesterday that at one time, about the beginning of the war, the customs revenues of that Republic amounted to very nearly half a million dollars a year. Her indebtedness is small, and half a million dollars of revenue, with an indebtedness of probably less than \$3,000,000, creates a financial situation as favorable, I think, as the financial situation of the United States at this time, so far as its relative obligations and revenues are concerned. Before the war the bonds of Liberia were selling at a fairly good price and are now selling at a fairly good price, so that, so far as her financial obligations to the balance of the world are concerned, Liberia is in no financial distress, certainly none calling for charitable consideration of a financial character from this country.

But what I desire to say with reference to the remarks of the Senator from Utah upon this subject is this: If this loan is to be treated as in the nature of inducement to Liberia to do business with us, to enter into trade relations with us, to cut aloof from Germany and other nations with which she has been heretofore chiefly dealing, it is the first time in the history of the United States, except when we raped the Treasury to pay Colombia \$25,000,000 in order to secure her good will in trade, that the United States has ever gone into the business of purchasing with money good will and trade relationships with the other nations of the world.

I had hoped that the tragedy of Colombia would end the business of the United States buying its way into the markets of the world, but it seems that is to be revived in the case of Liberia.

An examination of the facts discloses one thing about which there can be no dispute. If we lend Liberia this money, thus enabling her to pay off and discharge all her obligations of whatever kind to all the world, to pay all of her floating indebtedness, all of her bonded indebtedness, and leave her something like \$3,000,000 to be devoted to the improvement of her rivers and harbors and other transportation facilities, if we shall do that, we will place Liberia, by reason of our munificence, in a finer financial situation than that to-day enjoyed by any other country upon the face of the earth, including ourselves. The question to my mind is whether, with an indebtedness of over \$20,000,000,000 pressing down upon the distressed people of this country, with a Treasury in such a state of depletion that we are unable, according to the President of the United States, to pay the soldiers who fought and won the Great War a small pittance in recognition of their services to their country, we have any right to call upon the Treasury, at a time when it is in financial straits, almost verging upon bankruptcy, to relieve Liberia or any other country of all its indebtedness, whenever or however incurred, and finance its requirements for transportation and other internal schemes of development.

Under these circumstances, unless, Mr. President, it can be shown that the United States is under a fast, binding legal obligation to do this, or under a compelling moral obligation to do it, a clear, undisputed, incontrovertible moral obligation to do it, I say, to thus tax the American people for these purposes would be a crime against a people who are to-day tax-ridden almost to the point of ruin.

Nobody questions that the Secretary of the Treasury said to these gentlemen representing the Liberian Government, "If you will do certain things, comply with certain requirements, the United States will extend you, for the purpose of the prosecution of the war, a credit of \$5,000,000."

Upon any just and proper interpretation of what that commitment meant it must be admitted that that obligation did not live a day beyond the time of the final making of peace between this country and Germany. If it was a commitment that we were in honor bound to recognize, we were not in honor bound to recognize it except upon the happening of two conditions: First, the compliance by that country with the conditions and terms imposed by the Secretary of the Treasury; secondly, a compliance within the time limit.

Shall it be said that a commitment of that kind has no limitation of time, especially when the commitment is to accomplish a definite and a specific purpose? I contend that whatever obligation there was, therefore, that obligation expired when the purposes for which that obligation was entered into had expired and terminated, and did not live a day longer.

I want to make only one further observation. Administrative officers are in the habit, as the present Secretary of State has done in this case, of going forward and entering into agreements with foreign governments involving the expenditure of large sums of money on the part of the Government of the United States, and then coming to Congress and asking that Congress shall ratify and approve those commitments. If Congress shall fall into the practice, whenever one of these administrative officers has committed the Government, as it is contended the Government was committed in this case, of saying, because an administrative officer has made a commitment, that we are under a moral obligation to see that the thing which he has agreed to do is done and the Congress must sanction it, we shall establish in this country a practice of the most dangerous character, and for that reason I do not want to see any such practice established. I want it distinctly understood, when an administrative officer makes an agreement or an understanding that he is not authorized by the law to make, that he does not by that act obligate the Congress of the United States to its ratification; that it comes to us to be determined and decided upon its merits, and not upon the theory of some obligation.

Here we have an illustration of the danger of that proposition. The facts in this case are so vague, uncertain, and indefinite that men differ as to whether there was any commitment at all which was justified and warranted under the law, and whether that commitment created a moral obligation or not.

We have this joint resolution here and we have the insistence of its proponents that we shall pass it and appropriate the money without regard to the merits of the commitment and the transaction. That is the position of Senators on the other side. "Do not analyze the facts in this case. Do not bother yourselves about whether the loan ought to be made in the public interest or not. Do not trouble yourselves about any fact connected with the transaction, but blindly, and without the exercise or the approval of your judgment as to whether the thing is in the public interest, vote this enormous sum of money out of the pockets of the people." I do not wish us to be put in that position. I want it to be understood that whatever the obligation to which the administrative officers may seek to commit the Government, when it comes to the question of whether we shall approve of that or not, we shall not act upon any theory that we are compelled to do it, because it has been promised, without reference to the merits of the case or the authority to make the promise or commitment. I undertake to say that if the question were to be tried upon its merits, as it ought to be, I do not believe there are a half dozen Senators in the Chamber who, upon investigation of the facts, would have any doubt that the measure ought not to pass.

The PRESIDING OFFICER. The Chair was not passing on that question. The Chair was simply suggesting that the amendments made as in Committee of the Whole have not yet been concurred in in the Senate.

Mr. SIMMONS. I understand the motion is not in order until the amendments have been agreed to in the Senate. That is undoubtedly correct.

Mr. HEFLIN. Mr. President, the distinguished Senator from Tennessee [Mr. McKELLAR] called attention on yesterday to the fact that there were a whole lot of offices to be created in connection with the proposed loan. I have figured up the number, with the salaries. They are as follows: A financial commissioner, at \$15,000 a year; a deputy financial commissioner, \$10,000; an auditor, \$6,000; 10 administrative assistants, at \$4,000 each; 10 others, at \$3,000 each; aggregating \$101,000 a year, and the United States Government is to pay the money. That is, we are putting up the \$5,000,000, and the \$101,000 a year will be paid out of that money. It creates a nice junketing

arrangement for quite a lot of fellows who will be appointed to office.

Mr. McKELLAR. Mr. President—

Mr. HEFLIN. I yield to my friend from Tennessee.

Mr. McKELLAR. I call the attention of the Senator to the further fact that, as disclosed by the record, the revenues of the Liberian Government in 1921 amounted to \$163,000. I imagine they have to spend some money for their own Government. After spending money for their own Government, I am wondering where they are going to get the money with which to pay these salaries. Of course, if the United States appoints the officers, it must pay them. Even if the Liberian Government is not able to pay them, of course the American Government has to pay them. So we find in addition to the \$5,000,000 that we are putting a permanent charge upon the Treasury of the United States of over \$100,000 a year, and as we know how these bureaus constantly grow, within a few years it will undoubtedly put a charge upon the Treasury of the United States of probably a quarter of a million dollars a year to pay salaries.

Mr. HEFLIN. I thank my friend from Tennessee for his suggestion.

Mr. OWEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oklahoma?

Mr. HEFLIN. I yield.

Mr. OWEN. I observe that the joint resolution has been amended so that the commission of \$650,000, which it has been suggested will be due from the Liberian Government, shall not come out of the \$5,000,000; but there appears to be no reason why the Liberian Government itself, if left in control of its own resources, should not use those resources to liquidate the indebtedness due under the contract of commission which has been suggested here.

Mr. HEFLIN. Absolutely. What right have we to say to them what they shall do with the \$5,000,000 if we let them have it?

Mr. McKELLAR. It is proposed by the contract which they have that the New York creditors, who are made the preferred creditors, shall be paid direct by our Government, and our Government is directed to pay them.

Mr. OWEN. But after that has been done, I take it under the amendment adopted here to-day, no part of the \$5,000,000 could be used to pay the \$650,000 which was to be paid by Liberia under the proposed contract. But I do not know of any reason why the revenues of Liberia might not be used to liquidate the contract which has apparently been entered into. I do not see why we should not cause an examination to be made of the contract. I would like to see the contract. I want to know who is behind the measure and I want to know what is going to become of the \$650,000. If there is such a contract in existence, if it is true that William H. Lewis, of Boston; Emmett J. Scott, of Washington; James A. Cobb, of Washington; Ernest Lyon, of Baltimore; and William L. Houston, of Washington, have a contract of this kind with the Liberian authorities, I think we have a right to know it.

Mr. HEFLIN. I agree with the Senator.

Mr. SMITH. What is the nature of the contract?

Mr. OWEN. That they shall receive a commission out of the \$5,000,000.

Mr. McKELLAR. I call the attention of the Senator to the fact that the revenues of Liberia are negligible and they can not pay anything out of the very small revenues which now come from that source. Just think of it a moment. The interest on the \$5,000,000 loan is more than the annual revenues of Liberia.

Mr. OWEN. But, as I understand it, our security from the Liberian revenues will be affected by the obligation of \$650,000 if the contract is an existing fact, and yet we are willing to pass the joint resolution without ascertaining whether it is an existing fact. I want these men summoned. I want them to state whether there is a contract of this kind or not.

Mr. HEFLIN. Mr. President, the Senator from Oklahoma is eminently correct. We, as the representatives of the people in this body, ought to have this information. I want it just as he wants it, and I can not understand why Senators are driving this measure through and will not permit us to have a proper hearing—a hearing that will give us the facts in the case.

I want to suggest this thought to the Senate. I do not know when the Finance Committee ever acted on the measure and reported it favorably. There are members of that committee on the floor of the Senate to-day who do not recall that a meeting was ever had for the consideration of this measure. That is a rather strange and serious situation. I remember that yesterday the Senator from North Carolina [Mr. SIMMONS], rank-

ing Democrat on that committee, had no knowledge of the Finance Committee ever acting.

Mr. SIMMONS. No recollection.

Mr. HEFLIN. Yes; no recollection. How did the measure get in here? When was a meeting held? What hearings were had, and how did the joint resolution ever slip into the Senate with a favorable report when members of the Finance Committee do not know when action was had? The more we discuss the matter the worse it gets.

The Senator from Utah [Mr. SMOOT] is very serious in contending that we ought to pass the measure because it is a moral obligation growing out of the Wilson administration. It is really touching and pathetic to see the Senator from Utah and some others speaking seriously of living up to an obligation created under the Democratic administration. I remember that in the national convention of his party in session in Chicago in June, 1920, the senior Senator from Massachusetts [Mr. LODGE] delivered the keynote address. He said among other things, "We are going to wipe out the last vestige of the Wilson administration." Here is a vestige that you are charging to us, and we are trying to help you wipe it out, and you will not let us do it. That is a queer situation, Mr. President.

They want us to live up to a so-called moral obligation. I say again there is no moral obligation on our part. This Government under President Wilson said to Liberia during the war, "If you will do certain things, the loan will be made to you." Liberia did not comply with those conditions. The war ended. The Wilson administration passed out, to the hurt and injury of everybody in the country, and a new administration came in. The new administration, through some suggestions and influences at work in the Government, has taken up the matter with Liberia, and now, in order to excuse this monstrous thing, are hooking it back onto the Wilson administration. As a Democrat I repudiate it. It is in no way a moral obligation growing out of the preceding administration.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HEFLIN. I am glad to yield to my friend from Tennessee.

Mr. McKELLAR. In connection with what the Senator now says I want to quote from the testimony of Mr. Dearing, as published in the report of the hearings. Congressman FREAR was examining him:

Mr. FREAR. That was, as I say, just prior to the end of the war. Nothing more was done regarding the loan until June, 1920, by Liberia, and the reason advanced, as I get it from the record, is that the conditions or terms imposed were not satisfactory and Liberia refused to take action until 1920, in June. That was over a year and a half after the conclusion of the war.

Mr. DEARING. Yes, sir.

That shows that Liberia refused to take the loan during the war or to meet the conditions by which she could obtain the loan during the war, and did not bring the matter up, did not even make an application for any loan until June, 1920, or some year and a half after the war was over.

Mr. HEFLIN. If any Senator needed any evidence to convince him that the pending measure is not justified, the testimony just read by the Senator from Tennessee would do it. A year and a half had gone by after the war had ended, and here was a witness who testified before the committee in behalf of Liberia and who stated that Liberia refused to comply with conditions laid down by that administration, which was the Wilson administration.

What justification can there be for Senators solemnly voting to appropriate this money when our people are debt ridden and tax ridden, as the Senator from North Carolina has pointed out? Where will this thing stop? I have seen three groups of special interests come here and take money out of the Public Treasury since the Republican Party has been in power. The pending measure and the ship subsidy are the two remaining ones. It now remains to be seen whether Senators will vote to take these two sums out of the Treasury in order to satisfy these special interests.

Do you not know, Mr. President, and do not other Senators know that but for the Wall Street interests which are connected with the Liberian loan we never would have heard of it in this body; and but for the millions that the Shipping Trust expects to make out of the ship subsidy bill we should not hear of a ship subsidy in this Congress?

However, I am not going to detain the Senate further. I wish merely to submit this statement in conclusion. The pending joint resolution ought to be recommitted. The Senator from Oklahoma [Mr. OWEN] has raised some points which ought to be considered. We ought to have hearings right on



the point which the Senator has raised; there ought to be an investigation along that line. The able and distinguished Senator from Ohio [Mr. POMERENE] has stated that he would have to vote against the proposition, or that he felt inclined to do so, unless he could be satisfied in reference to certain points. Why not satisfy him? Why not let Senators investigate the matter? There is some doubt as to how the joint resolution came into the Senate from the Finance Committee. I submit, mysterious as it is, some suspicious things being connected with it, we ought to have an opportunity very thoroughly to investigate the measure before we pass it through this body. It ought either to be recommitted or defeated outright. It should not become a law by the action of Congress.

Mr. OWEN. Mr. President, I notice that there is no Senator listening to the argument, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Oklahoma suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gooding	Nelson	Smoot
Bayard	Hale	Nicholson	Stanfield
Broussard	Harrell	Norris	Stanley
Cameron	Harrison	Overman	Sterling
Capper	Heflin	Owen	Swanson
Caraway	Jones, Wash.	Page	Townsend
Culberson	Kellogg	Pepper	Underwood
Cummins	Keyes	Pittman	Wadsworth
Curtis	Ladd	Pomerene	Walsh, Mass.
Dial	Lodge	Ransdell	Walsh, Mont.
Edge	McCumber	Rawson	Warren
Ernst	McKellar	Sheppard	Willis
France	McKinley	Shorridge	
George	McNary	Simmons	
Glass	Myers	Smith	

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum is present.

Mr. SMITH. Mr. President, I have been interested in watching the peculiar features of the debate on the pending measure. We are afforded the spectacle of a Republican majority insisting that it is their duty to see that a moral obligation, alleged to have been assumed by a Democratic administration, shall be carried out. They do not bring any proof as to the moral obligation having been assumed in a national sense by the Democrats. If the Republican Party in good faith had substantial and incontrovertible proof that while the Democrats were in control of the Government they committed the Government to a solid moral obligation, we could understand why they should stand up and rebuke us if we attempted to repudiate it when the administration had shifted into the hands of the Republicans; but they have brought no such proof. On the other hand, certain members of the former Democratic administration who are alleged to have entered into and become the agents through whom the obligation was incurred, men of undoubted character and integrity, have risen here and declared that no such obligation exists. It is just such proceedings as this which cause the American people, when they analyze the situation, to doubt the serious integrity of this body when it comes to the fulfillment of the solemn obligations which rest upon us as Senators of the United States.

It can not be said that the difference which exists between the other side of the Chamber and this side of the Chamber is based upon a relation that the Government has assumed by virtue of any promise made which has appealed to the intellect of all Senators on the other side of the Chamber in one way and to all on this side in another way. Therefore the reason for the advocacy of this measure must be found in some other than a moral obligation.

I, for one, should feel as though I were bound to give serious consideration to the indebtedness of the Republic of Liberia had the debt which we are asked to furnish the money to liquidate been incurred subsequent to her negotiation with this Government; but these obligations all antedate even the outbreak of the war. They are obligations which were incurred before ever the world had entered into the war or had any suspicion that a war would be engaged in. There is not a scintilla of evidence to show that the Liberian Government rendered any assistance whatever in the prosecution of the war. However, that has all been gone into in minute detail. As there is not only serious doubt about the matter, but not a scintilla of evidence to show any moral or legal obligation on our part to pay the Liberian indebtedness, suppose we assume that we are guardians of the Republic of Liberia—and I believe that Senators on the other side claim some such attitude on the part of the American Government—and waiving the moral and legal obligation, let us look at the matter from the standpoint of a business venture.

We propose now to fund the indebtedness of the Republic of Liberia. We are the guardians of the money of the people of America. When we have taken the bonds of that Government in lieu of the money that we give them, and allow them to retire the bonds that are now outstanding against them, and the floating debt, the internal funded debt, what assurance have we that we will ever get a nickel of it back even then?

I have before me here the facts as alleged from the statistical department. The total revenue of the Liberian Government in 1920 was about \$260,000. The amount that we propose to lend the Liberian Government is \$5,000,000, at 5 per cent, which means \$250,000 annually. The board of officers that we propose in the law to make the administrative officers for this Government to see that the terms upon which we lend the money are carried out carries with it \$100,000. This makes a total of \$350,000 for the bare items of interest and salary of the administrative officers appointed by this Government, leaving a deficit of something like \$100,000 from the total revenue of the Liberian Government in meeting the expenses of administration and interest on the bonds. There is no one but that knows that in the ordinary execution or administration of the laws of Liberia perhaps half of that revenue will be required; so that, brought to its last analysis, it means that the other side of the Chamber is proposing without rhyme, reason, legal obligation, moral obligation, or any kind of a business obligation, to make a present to the Government of Liberia of \$5,000,000 out of the Treasury of the United States without ever intending to get back one penny of it.

It is needless for me to go into any of the details. This side has challenged the other side to point to the document that renders the obligation a moral one. This is an old indebtedness, held by foreigners. We have not even the official statement and the itemized account as to who holds this Liberian indebtedness. The Senator from Utah says that it is principally held by foreign governments, and that only \$58,000 of it is held by citizens of America. We have his statement, and doubtless he believes that the statement given him is right; but what official facts have we to show that it is right? Even if we did have, that does not enter into the merits of this question at all. The question for us is, Have we a moral obligation or a legal obligation to carry out this contract? That would answer the question if the proof were forthcoming.

As a business proposition it might appeal to us if it was good business for a foreign account; but it is not a business proposition, it is not a moral obligation, it is not a legal obligation. Then why do we go into the Treasury of the United States and take \$5,000,000 and turn it over to this Government?

If the advocates of this measure would be honest and come out and say "It is for the purpose and the sole purpose of marshaling the negro vote in this country, as we will sorely need it in 1924," and do it openly and aboveboard, I think they would perhaps muster more votes in certain quarters than they will get now. That is my opinion—that it is purely a piece of politics, playing to the colored vote by catering to their Republic and giving it \$5,000,000 out of the Treasury of the United States.

Regardless of color, regardless of what the nationality might be, if we were under moral obligations to carry out a contract, do you not suppose that amongst these on this side there would be found men whose moral sense is as acute as yours? If there were a legal obligation, do you not suppose that you would find men on this side whose sense of legal obligation would be as acute as yours? If it were a business proposition, do you not suppose that there would be men on this side as acutely alive to a business proposition as those on the other side? And yet the line of demarcation along political lines is going to determine this vote.

This matter has been before the Congress now for several weeks, and there should have been presented incontrovertible arguments that would force us to recognize whatever obligation there may be; but I state here this afternoon that it is my opinion that this is pure, unadulterated politics, costing this country \$5,000,000.

During all the discussion of the unfortunate affair from Michigan I never referred to it; but the people of the State of Michigan and the American people have set their seal, in a manner that saddens me for the parties interested, against the use of money, even private money, in an attempt to control the votes and politics of this country; and they will rebuke the party that without any reason other than a political reason will go into the Treasury of the United States and take \$5,000,000, and, under the guise and camouflage of a moral obligation coming from another party, will seek to entice the votes of the colored people of this country.

Mr. President, I want to say in conclusion that we as Democrats and you as Republicans can play the game without involving moral or official turpitude. We can do that. You have that by which you can appeal to the people of this country, and we have that by which we hope to appeal to them. It is not to the credit of the Republican Party or to the credit of the Senate of the United States that there is seriously discussed in this body a question so flagrant as this question. Do you not suppose that the American people know why this Liberian loan is here and why we are asked to pay \$5,000,000 to the Liberian Government? Not one man in ten thousand believes that we are under any obligation to pay them a nickel. Not one man in fifty here believes that we are under any obligation to pay them; but political exigency is here. Nineteen hundred and twenty-four is approaching, and \$5,000,000 spent in this way might count at that time. It does not augur well for the United States Senate; it does not augur well for doing away with the spirit of unrest that is abroad in the land; and I hope that if this matter shall come to a vote a rebuke will be given to this proposition by this body that will reflect credit on the sitting Members here.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole.

The amendments were concurred in.

Mr. SIMMONS. Mr. President, I send to the desk a proposed unanimous-consent agreement, which I ask to have stated.

The PRESIDING OFFICER. The Secretary will read the proposed unanimous-consent agreement.

The reading clerk read as follows:

It is agreed by unanimous consent that at not later than 2.30 o'clock p. m. on the calendar day of Monday, November 27, 1922, the Senate will proceed to vote without further debate upon any amendment that may then be pending or that may be offered in the Senate, and immediately thereafter upon the passage of the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Mr. CURTIS. Mr. President, it was understood that there would be a provision in reference to a vote on the motion to recommit.

Mr. SIMMONS. Yes; I ask that that be added.

Mr. CURTIS. The Senator might say "all amendments and all motions."

The ASSISTANT SECRETARY. After the words "or that may be offered in the Senate" insert:

And immediately thereafter upon any motion or motions that may be made to recommit the said joint resolution to the Committee on Finance.

Mr. SIMMONS. "With or without instructions."

Mr. OWEN. Mr. President, what hour is suggested?

The PRESIDING OFFICER. Two-thirty o'clock p. m.

Mr. OVERMAN. The joint resolution will remain the unfinished business until the vote is taken?

Mr. CURTIS. Certainly; and I may state, for the benefit of the Senate, that I understand that it will be almost impossible to have a quorum to-morrow, and if this unanimous-consent agreement is entered into I shall ask unanimous consent that when the Senate adjourns to-day it stand adjourned until Monday at 12 o'clock.

Mr. SIMMONS. I suppose it is necessary that we shall have a quorum for the purpose of passing on the proposed unanimous-consent agreement. I therefore make the point of no quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Bayard	Frelinghuysen	McNary	Smith
Borah	George	Myers	Stanfield
Broussard	Glass	Nelson	Stanley
Cameron	Gooding	Nicholsen	Sterling
Capper	Hale	Norris	Swanson
Caraway	Harrison	Overman	Townsend
Culberson	Hefflin	Owen	Underwood
Cummins	Jones, Wash.	Page	Wadsworth
Curtis	Kellogg	Pepper	Walsh, Mass.
Dial	Keyes	Ransdell	Walsh, Mont.
Edge	Ladd	Sheppard	Willis
Fletcher	McKellar	Shortridge	
France	McKinley	Simmons	

The VICE PRESIDENT. Fifty Senators having answered to their names, a quorum is present. The Senator from North Carolina [Mr. SIMMONS] proposes a unanimous-consent agreement, which the Secretary will read for the information of the Senate.

The Assistant Secretary read as follows:

It is agreed by unanimous consent that at not later than 2.30 o'clock p. m. on the calendar day of Monday, November 27, 1922, the Senate will proceed to vote without further debate upon any amendment that may then be pending or that may be offered in the Senate to the resolution (H. J. Res. 270), and immediately thereafter upon any motion or motions that may be made to recommit the said joint reso-

ultion, either with or without instructions, to the Committee on Finance; and, in the event that no such motion shall prevail, the Senate will, without further debate, proceed to vote upon the passage of the said joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

The VICE PRESIDENT. The question is on entering into the unanimous-consent agreement. Is there objection? The Chair hears none, and it is entered into.

ADJOURNMENT TO MONDAY.

Mr. CURTIS. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it adjourn to meet on Monday next at 12 o'clock.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ADJOURNMENT.

Mr. CURTIS. As no Senator rises to present further business, I move that the Senate adjourn.

The motion was agreed to, and the Senate (at 2 o'clock and 50 minutes p. m.) adjourned until Monday, November 27, 1922, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

FRIDAY, November 24, 1922.

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, infinite in righteousness, boundless in mercy, and perfect in law, to Thee we come. In our breasts is the hymn of praise and the silent chant of adoration. O let Thy blessed Spirit find its way into our hearts, there to nourish those virtues which were taught and exemplified by the Divine Teacher of men. Let us labor this day with wise energy and be glad with a new joy. Lead us in Thy light that we falter not. As the mornings come and the evenings die away give us to feel that they are bringing us nearer the haven of eternal truth and eternal love. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

APPROPRIATIONS FOR MILEAGE, ETC.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to call from the Speaker's table the bill (H. R. 12859) making the mileage appropriations available, and ask that the House agree to the Senate amendment providing for the Senate pages.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill referred to, with a Senate amendment. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 12859) to provide certain expenses incident to the third session of the Sixty-seventh Congress.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Senate amendment was read.

Mr. MADDEN. Mr. Speaker, I move that the House agree to the Senate amendment.

The motion was agreed to.

NO QUORUM—CALL OF THE HOUSE.

Mr. GREENE of Massachusetts. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. GREENE of Massachusetts. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Almon	Black	Burroughs	Chandler, N. Y.
Anderson	Bowers	Burton	Chandler, Okla.
Andrew, Mass.	Brand	Byrnes, S. C.	Christopherson
Ansorge	Brennan	Byrnes, Tenn.	Clague
Anthony	Brooks, Ill.	Cable	Clark, Fla.
Barbour	Brown, Tenn.	Campbell, Kans.	Classon
Barkley	Browne, Wis.	Campbell, Pa.	Clouse
Bell	Burke	Cantrill	Cockran



Codd	Hudspeth	Mills	Sinnott
Colton	Humphreys, Miss.	Montague	Sisson
Connolly, Pa.	Hutchinson	Montoya	Slemp
Copley	Ireland	Moore, Ill.	Smith, Mich.
Coughlin	Jacoway	Moore, Ohio	Stanford
Crowther	James	Morin	Steenserson
Cullen	Jeffers, Ala.	Mott	Stiness
Curry	Johnson, Ky.	Mudd	Sullivan
Davis, Minn.	Johnson, Miss.	Nelson, Me.	Summers, Wash.
Dempsey	Johnson, S. Dak.	Newton, Mo.	Swank
Denison	Jones, Pa.	O'Brien	Tague
Dickinson	Kahn	O'Connor	Taylor, Ark.
Dominick	Kelley, Mich.	Ogden	Taylor, Colo.
Drane	Kendall	Olpp	Taylor, N. J.
Dunbar	Kennedy	Osborne	Taylor, Tenn.
Dunn	Kiess	Overstreet	Temple
Dupré	Kindred	Parker, N. Y.	Thompson
Echols	King	Patterson, N. J.	Tinkham
Fairchild	Kirkpatrick	Perkins	Treadway
Faust	Kitchin	Periman	Underhill
Fess	Klecza	Petersen	Upshaw
Fish	Kline, N. Y.	Porter	Vare
Focht	Kline, Pa.	Pringey	Vestal
Fordney	Knight	Purnell	Volk
Free	Kopp	Rainey, Ill.	Ward, N. C.
Freeman	Kraus	Ramseyer	Wason
French	Kreider	Reber	Weaver
Frothingham	Reece	Rece	Webster
Funk	Lanham	Reed, N. Y.	Wheeler
Gallivan	Lee, N. Y.	Reed, W. Va.	White, Kans.
Gernerd	Lathicum	Riordan	White, Me.
Gifford	Longworth	Roach	Williams, Ill.
Goldsborough	Luce	Robson	Williams, Tex.
Goodykoontz	Luhring	Rosenbloom	Wilson
Gould	McArthur	Rossdale	Winslow
Graham, Pa.	McCormick	Sabath	Wood, Ind.
Griest	McFadden	Sanders, Ind.	Woods, Va.
Hardy, Colo.	McKenzie	Sanders, N. Y.	Woodyard
Hawes	McLaughlin, Nebr.	Schall	Wurbach
Henry	Maloney	Scott, Tenn.	Yates
Herrick	Mann	Shaw	Zihlman
Hickey	Mansfield	Shreve	
Himes	Mead	Siegel	
Hogan	Michaelson	Sinclair	

The SPEAKER. Two hundred and twenty-three Members have answered to their names.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER. The gentleman from Wyoming moves to dispense with further proceedings under the call. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

The doors were opened.

#### THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817.

The motion was agreed to.

The SPEAKER. The gentleman from Connecticut [Mr. TILSON] will please resume the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. LEHLBACH] 30 minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized for 30 minutes.

Mr. LEHLBACH. Mr. Chairman, I was amazed yesterday to hear the merchant marine act of 1920 referred to as a Government ownership bill and the statement made that in advocating the measure under consideration we were departing from the policy for which we stood in 1920. Permit me to read the first section of the act of 1920:

*Be it enacted, etc.,* That it is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be owned and operated privately by citizens of the United States; and it is hereby declared to be the policy of the United States to do whatever may be necessary to develop and encourage the maintenance of such a merchant marine, and, in so far as may not be inconsistent with the express provisions of this act, the United States Shipping Board shall, in the disposition of vessels and shipping property as hereinafter provided, in the making of rules and regulations, and in the administration of the shipping laws, keep always in view this purpose and object as the primary end to be attained.

A merchant marine to be privately owned and privately operated.

Now, if the proposition under discussion were the creation of an American merchant marine by means of Government aid, direct and indirect, there might be room for debate as to the practicability, desirability, and feasibility of such a plan. But that is not the situation that is confronting us at all at the present time. We have a merchant marine, and the question is, What shall become of it? We own 1,442 steamships, of a gross tonnage of some 7,000,000 tons.

We have in actual operation to-day 338 of these ships and the remaining 1,104 are tied up. Of these ships that we are operating, 28 are passenger ships, of which 5 are ex-German and the other 23 are Shipping Board vessels. Our total passenger tonnage is 500,000 tons, of which 300,000 tons are ex-German. One hundred and forty thousand tons of these ships are so old that they have no continuing potential value, but in the course of a few years they will go to the scrap heap; so that we have about 160,000 tons in German passenger ships to be reckoned with for the future. We have a fewer number of fast freighters, but the bulk of this tonnage that we have consists of the standard type of smaller and slower cargo ships.

Now, what are we doing with these ships that are being operated? They are in the hands of private companies to whom they are allocated for operation under contracts by the Shipping Board. The standard contract under which these ships are being operated, and which is the best contract that after years of experiment has been found to be obtainable by the Government, is this: The Government places the ship in charge of a steamship company or a private operator to run. The Government pays all the expenses of running the ship exclusive of the overhead office charges of the operating company or ship operator. The Government pays for the maintenance of the ship, it pays for the fuel, it pays the wages of the crew, it pays for the subsistence of the crew, it pays the terminal charges, and the incidental charges for repairs or replacement of equipment, and so forth. It pays the insurance, or insures the ship itself. It pays all these incidental expenses and receives the gross freights that are earned by the ship. Out of that it repays to the operator on outgoing voyages 5 per cent of the gross freight receipts, and on incoming voyages 2½ per cent of the gross freight receipts, and in addition thereto pays a husbanding fee which approximates about \$350 per ship for each voyage.

In the operation of these ships under these contracts and under other contracts then in existence, the Shipping Board in 1920 lost, as nearly as can be ascertained from the state of its books, from \$150,000,000 to \$200,000,000 a year. The present Shipping Board, by rigid economy, by efficient methods, and by eternal vigilance, has reduced the losses to approximately \$50,000,000 a year, and the testimony bears out and the fact is that that is the rock bottom to which the expenses of the Government can be reduced—\$50,000,000 or thereabout for operating these ships.

Now, what does that mean? What is that in practical effect? We give these ships to private owners to operate. We get all the revenue there is, and it is not sufficient to cover the operation, but we turn around and pay them 5 per cent gross commissions on the freight for outgoing and 2½ per cent for incoming freights, and \$350 per voyage per ship. Where do we get that money? The income from the operation of the ships is not sufficient to pay it. We take the remainder out of the Treasury; and if that is not a subsidy, in heaven's name will somebody tell me what this money is that we are paying to the private operators of the ships to-day?

Mr. J. M. NELSON. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Wisconsin.

Mr. J. M. NELSON. Is it not a fact that the Shipping Board have not attempted to compete with American shipping lines, and that they have not sought to get foreign trade, and that they have not made competition in any way to get business?

Mr. LEHLBACH. The Shipping Board have spent thousands and thousands of dollars in advertisements here and abroad to get business. They do compete throughout the world wherever it is possible to compete.

Mr. J. M. NELSON. In rates?

Mr. LEHLBACH. In rates and in every way. Why, immediately when a reduction of rates to South America was advertised by British lines the Shipping Board met that rate in order to compete.

Mr. J. M. NELSON. But the gentleman knows that Mr. Lasker has repeatedly said that we are not competing with American shipping.

Mr. LEHLBACH. We are trying to build up American shipping.

Mr. J. M. NELSON. Yes; of course we are.

Mr. LEHLBACH. And the American shipping not owned by the Shipping Board and not operated, as I have described, is negligible in the foreign trade. We are not going to compete with the few American private lines that there are which are not owned by the Shipping Board, and put them out of business completely. If there were privately owned American lines operating to a substantial degree, the Shipping Board could shut up shop and go out of business, and we would not need this bill, but it is foreign shipping that we are competing with for foreign trade.

Mr. SNYDER. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from New York.

Mr. SNYDER. The gentleman from New Jersey [Mr. LEHLBACH] knows and the gentleman from Wisconsin [Mr. J. M. NELSON] ought to know that we not only advertised through the Shipping Board, but we have commissioners all over the world hunting for business for our ships in practically every trade market in the world.

Mr. J. M. NELSON. But not competing with our own.

Mr. SNYDER. Competing everywhere.

Mr. LEHLBACH. The gross tonnage carried in world commerce to-day is materially less than it was a year ago. Yet notwithstanding that falling off in the gross tonnage of the commerce of the world the Shipping Board has maintained for its vessels an amount of tonnage equal to that which it had a year ago. That shows how persistently and how effectively the Shipping Board is going after business and competing with foreign rivals.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. FAIRFIELD. Are other countries in the same condition that we are, in so far as we find ourselves with an insufficient amount of tonnage to carry? Are their ships also laid up without commerce to carry?

Mr. LEHLBACH. To a very large extent the ships all over the world owned by nationals of all countries are tied up.

Mr. FAIRFIELD. Our present situation then may be due in part at least if not largely to the shipping conditions of the world?

Mr. LEHLBACH. Our condition with respect to volume of business may be due to the condition throughout the world, but freight rates to-day are about 30 per cent lower than they were a year ago.

The amount of commerce that is carried is much lower than it was a year ago, but notwithstanding the fact that the freight rates are lower and the amount of commerce is less we are now under the Shipping Board operations carrying an equal amount of commerce that we did a year ago with 30 per cent less freight rate than a year ago. That shows that the operations of the Shipping Board are as efficient and effective as they possibly can be under this system. Notwithstanding that fact we must reach into the Government Treasury and take \$50,000,000 as a subsidy for running our ships.

All we ask is to reduce this subsidy, to end this improvident, reckless, and extravagant expenditure which merely enables us to operate our ships to-day with no thought of to-morrow. We wish to substitute a reduced subsidy, devised in accordance with a rational plan which will enable the operation of an American merchant marine, not only to-day and to-morrow and the next day, but 10 and 20 years from now. That is what this bill intends to do.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. LEHLBACH. Certainly.

Mr. FAIRFIELD. Admitting that conditions are getting better, is it possible for the next two or three years when the business of the world is recovering, that no losses would be sustained, or is it inevitable that with the present method no matter how much the tonnage may be increased the operators of the ships will continue to lose money?

Mr. LEHLBACH. I stated a while ago, and I will repeat, that the losses to-day under the present method of operating the ships has reached rock bottom and will not get less no matter what the conditions of the world may be. We can not under the present system operate the ships without a loss; we have reduced it to the least possible amount.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. J. M. NELSON. Will not the gentleman admit that this shipping situation is universal throughout the world. Are not we in the same boat with all the other nations of the world?

Mr. LEHLBACH. I will admit that the shipping business is at a low ebb and that a good many boats are tied up. Comparatively few are operated, and the freight charges are low. But I know of no case where the shipping of another country is

carried on at a loss save in this country, a loss that must be made up out of the government treasury of that country as it is out of the Treasury of this country.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. LEHLBACH. I will.

Mr. GRAHAM of Illinois. I have been interested in a statement I found—I think in the hearings—that the ships built by the British Government, somewhat on the same plan as our ships were built, have been sold since the war, and a great proportion of them for something like \$125 a ton; that the British Government to-day did not have the same problem that we have. Can the gentleman tell us whether that is substantially correct or not?

Mr. LEHLBACH. I am not informed about that. If any such price was obtained it must have been immediately following the armistice. The standard price for tonnage throughout the world to-day is about \$30 a ton.

Mr. GRAHAM of Illinois. The information I have is that the ships were turned over to a certain man for the purpose of sale, and soon after the armistice they were sold at that considerable price. I am wondering whether that information is correct. The gentleman does not know?

Mr. LEHLBACH. I do not know, but I know that shortly after the armistice we had an opportunity to sell ships at a high price, but on account of opposition by injunction and great opposition by certain minority members of the then Shipping Board who said that we ought to hold them to get higher prices, we were not permitted to sell them at \$125, so we lost the sale.

Mr. LONDON. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. LONDON. Is there enough tonnage in the world to-day to carry the commerce of the world?

Mr. LEHLBACH. I think there is at the present time.

Mr. LONDON. Under normal conditions is there enough tonnage to carry the commerce?

Mr. LEHLBACH. I should say at the present time there was. Of course ships are always depreciating and have to be renewed.

Mr. LONDON. The present conditions are subnormal?

Mr. LEHLBACH. They are.

Mr. LONDON. To what extent has the destruction of ships by the submarines affected the carrying tonnage of the world?

Mr. LEHLBACH. I believe that when peace came the tonnage of the world, notwithstanding the destruction of ships by submarines, exceeded the tonnage of the world when war was first declared. In other words, there were more ships built during the war than were destroyed.

Mr. LONDON. We are now called upon to build up a merchant marine when there is an oversupply of ships.

Mr. LEHLBACH. No; we are called upon to utilize the merchant marine that we already have.

Mr. LONDON. The ships that we have are ships built because of the necessities of war?

Mr. LEHLBACH. That is true.

Mr. LONDON. Just as were the supplies of ammunition and artillery. We are now entering upon a new enterprise, the building up of a private merchant marine. Is not that so?

Mr. LEHLBACH. Possibly the gentleman uses the term "building up."

Mr. LONDON. I will say developing.

Mr. LEHLBACH. The gentleman predicates his question on the statement that there are enough ships now, and then asks why we should build up a merchant marine. We are attempting to utilize the merchant marine that we have which is counted in with the tonnage of the world. We ought to utilize the tonnage that we have.

Mr. LONDON. We are attempting to develop a merchant marine which we have not to-day.

Mr. LEHLBACH. We are attempting to utilize the boats that we already have.

Mr. LONDON. And the gentleman says that the world has too much tonnage?

Mr. LEHLBACH. No; not too much tonnage.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. BLANTON. If it is true that we now have leading experts in charge of the shipping business of the Nation, and they are conducting it on a businesslike basis, and if it is true that with ships furnished to these people free, when they do not have to account for any investment, they can not make a profit, but it is costing the Government admittedly, according to the President, \$50,000,000 a year, then how does the gentleman expect private enterprise to buy these ships and make a profit out of them?



Mr. LEHLBACH. Because there is not any line of human endeavor or human activity that can not be made to pay by private people whose heart is in the business and whose future is staked in the business when it does not pay when run by Government officials.

Mr. BLANTON. Oh, I agree to that, as applied to the Shipping Board.

Mr. LONDON. And if the gentleman will permit an addition to that—whose hands are in the pockets of Uncle Sam.

Mr. BLANTON. Yes; and I agree to that. I agree to both statements.

Mr. ARENTZ. Is it not a fact that the operators of these ships do not know what the minority Members of the House will do in the future if this bill is not passed? They are not going to build up their capital and their dockage, and so forth.

Mr. LEHLBACH. Mr. Chairman, it was stated yesterday by one of the speakers in opposition to this bill that he was unequivocally opposed to Government ownership, but that it was better to continue Government ownership for a little while longer than to adopt the remedy suggested in the measure now under consideration. However, neither he nor any other man who has spoken in opposition to this bill—and I predict now that that will prove true in respect to any who may speak in opposition to it—has suggested how much longer Government ownership and operation, wasteful and extravagant as it is, must continue, if this remedy is not adopted. What on earth in the future will keep the boats afloat if some such constructive measure as this is not adopted? No alternative has been suggested by anyone at any time anywhere. [Applause on the Republican side.]

Mr. BANKHEAD. Mr. Chairman; will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. BANKHEAD. I presume the gentleman was referring to the statement made by me yesterday with reference to a temporary continuation of Government ownership. Does the gentleman think that any prudent business man with the assets now owned by the Shipping Board, under the present depressed financial condition of the country, would sacrifice that property for 10 cents on the dollar?

Mr. LEHLBACH. A prudent business might not and ought not to, but a Government under the circumstances certainly ought to get out of this and out of the loss the operation of it entails as quickly as possible, when by getting out of it it can get some of its investment back by selling the ships and at the same time reduce the cost of the maintenance of a merchant marine by one-half, conservatively speaking.

Mr. BANKHEAD. In other words, a prudent business man should not do this thing, but a prudent Government should.

Mr. LEHLBACH. Certainly; because a business man ought to be in business and the Government ought not to be in business. That is the difference. [Applause on the Republican side.]

Mr. HARDY of Texas. Is not the present argument of the gentleman a wholesale indictment of operators who are employed by the Government, when he says that working for the Government they will create a loss, but that if we should give it to them they would make a profit?

Mr. LEHLBACH. Oh, no; it is not an indictment of the operators. It is the experience of human nature in all walks of activity, under all circumstances, that a man will work with his heart in his work if he is working for himself, but that he will get what he can out of it if he is simply working temporarily for some one else, and has opportunity to use some other person's material.

Mr. HARDY of Texas. Is not that an indictment of the grossest kind against these operators?

Mr. LEHLBACH. No; it is not. It is simply ascribing to them the human nature and the human motives that actuate the average man throughout our civilization.

Mr. LONDON. Is not this a good reason for the disbanding of Congress? [Laughter.]

Mr. LEHLBACH. It may be that some people view the disbandment and dissipation of our merchant marine with equanimity, and say, as long as shipping exists, what difference does it make, that ships are common carriers and are available to everybody who has a cargo to send. But that is not the fact. The merchant marine of a nation engaged in foreign commerce is not like a common carrier. It is not available to all who seek to travel or seek to transport. The merchant marine of a commercial nation is not like a common carrier, but it is like the delivery system of a big mercantile establishment. That delivery system may be induced to carry the goods of a competitor or of a rival establishment which had no delivery system of its own, when it suits the purpose and convenience of the establishment that owns the delivery

system; but you can not rely upon the delivery system of a rival if he is seeking to sell goods to the same customer at the same time that you are. You can not get the ships at that time.

There seems to have been an impression created by some of the remarks made yesterday that this bill provides for an extensive building program, and the question was asked, Why should we build new ships when we already have 7,000,000 tons of ships ready at hand? Mr. Chairman, a merchant marine is like a railroad. You can not run it entirely with one style of equipment. You can not run a railroad simply with freight flats or with box cars or with passenger coaches. You must have a balance of equipment. You must have coal carriers, box cars, flat cars, passenger coaches, Pullman cars, and you must have a repair equipment and wrecking apparatus. In your rolling stock you have to balance the equipment. For a merchant marine that is to be equal to the carrying of 50 per cent of our commerce, both outgoing and incoming, and that is all that anybody seeks to accomplish, we need about 1,250,000 tons of passenger ships, 1,250,000 tons of cargo ships; we must have a certain number of tankers and a certain number of refrigerator ships, and we have to have a certain number of ships especially adapted to certain kinds of freight and certain kinds of commerce going to certain parts of the world, such as the Tropics, and so forth. Then the balance of the fleet would be made up of the ordinary standard type of slow freighters. We have plenty of slow freighters. We have some fast freighters. We have a fair supply but not an adequate supply of fast passenger ships. The provision for a revolving fund to lend to those who are willing to build ships is not a new provision. It is merely an amplification of what you all voted for when the act of 1920 was passed, and the only thing new in the provision for a construction fund in this law that has not already been law for the last two years is to say that the interest on the money so loaned shall not be at less than 2 per cent. There was no limitation of the interest to be charged under existing law.

I will not take the time to point out the little details in which the law is amended by the proposed bill.

Mr. HARDY of Texas. Will the gentleman yield for a question for information?

Mr. LEHLBACH. I will.

Mr. HARDY of Texas. I understood the gentleman in the beginning of his remarks to say we had 160,000 tons of passenger ships now.

Mr. LEHLBACH. German passenger ships.

Mr. HARDY of Texas. How many passenger ships have we got in all?

Mr. LEHLBACH. Five hundred thousand tons.

Mr. HARDY of Texas. I understood the gentleman a moment ago to say we ought to have 1,250,000 or 1,500,000 tons of passenger ships to complete the complement. Is that correct?

Mr. LEHLBACH. Eventually. We now have a nucleus for a merchant marine and desire to complement this shipping with vessels of necessary types which we do not at present have. To that end, out of this construction fund, created by the act of 1920, we intend making loans, under proper safeguards and at a comparatively low rate of interest, to stimulate and facilitate the building of such types of ships. No money for building can be loaned except for such types of ships as may be approved by the Shipping Board, and there is no opportunity under the act of 1920, as amplified by the existing measure, to loan Government money merely to duplicate existing shipping.

Mr. HARDY of Texas. And the purpose is to lend private shipbuilders \$125,000,000 in the bill in order to build additional ships?

Mr. LEHLBACH. Is not that what the gentleman voted for when he voted for the law of 1920?

Mr. HARDY of Texas. The law of 1920 was to build ships necessary for our use and the ships were to be sold at a fair price, if possible, or chartered, or if neither was possible the Government was going to run them itself and establish desired lines under the law of 1920.

Mr. LEHLBACH. And that provision, coupled with the aids provided for in this, will insure that private operators will operate them and we will not need to invoke the reservation that if private owners will not build and operate, the Government will. That is what this bill is for.

Now, there has been some discussion as to certain taxation features in this bill. The proposition that such part of the net profits derived from the operating of ships in the foreign trade as is reinvested in new ships shall not be subject to taxation is in the law of 1920, so unanimously voted for by this House and the Senate, including both sides of this center aisle. The same is true of the provision that such money may be placed in a trust fund and within a reasonable time applied to building new



ships. That is not a change in the law. It is merely a change in details of administration, and we provide in the bill safeguards which in the original law were left to rules and regulations to be established by the administrative body. If anything this is a restriction rather than an enlargement of the act of 1920.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. I yield 10 minutes additional to the gentleman.

Mr. LEHLBACH. Now, in the act of 1920, which, as I say, everybody joyfully and wholeheartedly voted for, including gentlemen who are now opposing this measure, there is a provision in section 34 directing the President of the United States to serve notice that certain treaties were to be abrogated or denounced.

The purpose of denouncing those treaties was this: To allow a 10 per cent customs duty rebate on all goods imported into the United States in ships flying the American flag; and everybody, as I say, voted for it. That was a tax remission of 10 per cent on goods brought into this country to be marketed here in competition with goods manufactured and produced in this country. It not only was a tax rebate to the importer, but it was a tax rebate made in such a way as to enable him more successfully to compete against home producers, and you all voted for it. It was furthermore a tax rebate which was of advantage only to those who imported goods into this country and did not give any advantage to the shipper who exported from this country. It gave no advantage to the farmer who sent his grain abroad, to the cotton planter who sent his cotton abroad, to the cattle raiser who sent his cattle abroad, to the manufacturer who sent his goods abroad. They got no tax rebate under the plan of 1920, but only the importer who brought goods in here in competition with our own producers got the 10 per cent rebate in customs duties. But there was not any opposition raised to that provision of the act of 1920 for which everybody voted. Now it is impracticable to apply that benefit, and in substitution thereof it is now proposed to give a credit on income taxes amounting to 5 per cent of the freight paid on shipments in American ships. That is practically giving a trading stamp with a shipment of goods under the American flag. It is a comparatively trifling amount, does not come to much, but is just sufficient to call attention to the fact that he ought to ship in American ships rather than foreign ships, to ship in our merchant marine instead of that of our competitors. This benefit will accrue to the farmer who ships his grain, to the cattle grower who ships his cattle, to the cotton planter who ships his cotton, to the manufacturer who ships his goods, to every American producer who sends stuff abroad, if he will only avail himself of American ships and send his goods in those ships—

Mr. BANKHEAD. Will the gentleman yield for one question? I do not want to interrupt the gentleman.

Mr. LEHLBACH. I will.

Mr. BANKHEAD. The gentleman stated the amount of the drawback in reference to the income tax would be trivial?

Mr. LEHLBACH. As to the individual shippers.

Mr. BANKHEAD. But in the aggregate can the gentleman state approximately how much?

Mr. LEHLBACH. If full advantage is taken of this rebate by the shippers and when our shipping is developed up to our highest expectations, it will amount to in the neighborhood of \$7,000,000.

Mr. SNELL. Mr. Chairman, will the gentleman yield to a further question?

Mr. LEHLBACH. Yes.

Mr. SNELL. I wanted to see if I understood correctly the rebate proposition. As I understand it, with your explanation, the rebate now is in favor of the American producer, while the rebate under the old measure was in favor of the importer. Is that correct?

Mr. LEHLBACH. Exactly; and gentlemen who now have qualms of conscience about allowing this little rebate to a man who is patriotic enough to ship his goods to the world in American ships in place of foreign ships are the very same gentlemen who voted for this 10 per cent customs duty rebate. You are straining at a gnat when you have swallowed a camel. [Applause on the Republican side.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from New Jersey yields back three minutes.

Mr. BANKHEAD. Mr. Chairman, I yield one hour to the gentleman from Tennessee [Mr. DAVIS].

The CHAIRMAN. The gentleman from Tennessee is recognized for one hour.

Mr. DAVIS of Tennessee. Mr. Chairman and gentlemen, we are confronted with an anomalous situation. For the first time in the history of the Republic the same Congress is called into extra session for the second time. We would naturally infer that there was some very impelling reason to prompt such extraordinary action. And what is the reason? It is for the sole purpose of forcing through this ship subsidy bill.

#### DEFIANCE OF PUBLIC WILL.

This is not in response to any demand from the American people. It is contrary to the expressed verdict and emphatic protest of the American people. It is to be passed upon, not by the Congress that was recently elected, but it is to be passed upon by a Congress that was elected two years ago, when this bill and this subject was in no wise an issue. It is to be acted upon by the present Congress, of which nearly one hundred Members were defeated in the recent primaries and election, for the bold, specific purpose of preventing action upon this bill by a Congress that comes fresh from the people. This is representative government with a vengeance.

The greatest member of the Republican party who ever lived pronounced the doctrine that this should be a "Government of the people, by the people, and for the people." He would turn over in his grave if he knew that a proceeding of this kind was taking place; if he knew that the President of the Nation and the head of the administration that is now parading under the name of the Republican Party had appeared before the Congress and asked the Members thereof to vote, not in accordance with the will of their constituents, but to vote against the will of their constituents.

Last spring, after the effort had failed to muster enough Members to put this bill through the House, the President, in a letter to the majority leader, asked that the Members take this proposition back to their people and, as some papers expressed it, to "sell it to their people." He asked them to discuss it with their people and obtain a favorable reaction. Now, having gone before the people, and it having been an issue, and an unfavorable reaction having been recorded, he comes before the American Congress and in effect says that, "Having had a solemn referendum, having ascertained that the American people repudiate this thing, along with other policies, I now ask you to vote contrary to that verdict, to support this measure in spite of such unfavorable reaction."

The situation was well expressed by an editorial appearing in the New York Globe (Republican), June 16, 1922, as follows:

The Republican Party made its first great fight in behalf of human liberty in order that government of, by, and for the people might not perish from the earth. The high priests of privilege now in Washington are endeavoring to destroy the principles which Lincoln bequeathed.

Now, what prompts this extraordinary action? As stated, it is not prompted by the people. It is not prompted by the demands or pronouncements of any party, because, as has already been stated, neither party has ever at any time in national platform asked for the enactment of this legislation or indorsed ship subsidies. Attention was called to this by the gentleman from Alabama [Mr. BANKHEAD] yesterday—to the fact that the last Republican platform, instead of asking for legislation of this kind, boasted of the merchant marine act of 1920—Jones Act—which had recently been enacted, and stood upon that, proudly declaring that that measure would "insure the promotion and maintenance of the American merchant marine."

Now, where does the demand come from? There is no indication that the inspiration comes from any member of the Cabinet, no intimation that it comes from any of the great Republican leaders in the Senate or in the House. According to undenied newspaper reports that have appeared from time to time, the pressure of this measure is contrary to the advice of numerous Republican leaders in the Senate and in the House. In fact, from expressions which we hear on all sides, I believe I am safe in estimating that not 10 per cent of the membership of this House wanted this question brought up. I believe I am also safe in estimating that, if left to the individual judgment and will of the Members of this House alone, not 25 per cent of them would vote for this measure.

#### PRESIDENT MISLED BY LASKER.

Where does the demand come from? Where does the inspiration come from? And in this connection I want to say that I do not for a moment question the sincerity of the President of the United States. I accord him full honesty of purpose. Although he is advocating this bill with a zeal which he has not manifested with respect to any other measure, and in spite of the fact that soon after he was elected he said he was not going to dictate to Congress, yet I assume that he has been convinced that this is the wisest course to pursue.



However, if the President had displayed as much interest and energy in behalf of measures for the benefit of the people, his administration would not now be confronted with many of the embarrassments with which it is beset.

By whom and upon what information has the President been convinced of the correctness of his course in pressing this ship subsidy bill to the full extent of his ability?

There is where the trouble comes, because there is no question in my mind but that the President has been sadly imposed upon, that he has been misled. In the very nature of things it was impossible for him, considering the multitude of duties he has to perform, to give a close study to the question. He had to rely upon the investigation and advice of others. And who is it who has had his ear? Who is it who has his ear now?

It is not necessary for me to dwell upon that. I simply want to call attention to some typical references that have been frequently appearing in the press for a year, without ever any denial. For instance, in the Washington Star of the 16th instant, among other things, it is said:

Within the last day or so the President conferred with Chairman Lasker, of the United States Shipping Board—

And so forth. Then further:

It is intimated that Chairman Lasker will attend further conferences with the President between now and the time that he finally completes the portion of his message referring to the merchant marine.

Then the Washington Times has this reference:

President Harding devoted yesterday afternoon and part of the evening to drafting his ship-subsidy message. Immediately after luncheon he summoned Chairman A. D. Lasker, of the United States Shipping Board, and with him went over a number of the important points and facts to be incorporated in the address. The President and Mr. Lasker were in conference for more than an hour.

Those are typical of what we have all been reading all the time, and the address made by the President contained no new matter, no new argument, no new alleged facts. It contained substantially, with somewhat changing language, the same alleged facts and the same arguments that were presented by Chairman Lasker in his original address at the hearings and that have appeared from time to time in the propaganda that has been so extensively disseminated. It contained arguments and allegations which have been already completely answered out of the mouth of Chairman Lasker upon cross-examination and out of the mouths of various other proponents of the bill, answered upon the floor of this House, answered in the minority report. But in view of the reiteration of these alleged facts and arguments it becomes necessary, at the expense of repetition, to again present facts in refutation of such arguments.

However, before doing that I want to state that neither I nor any other member of the committee on the Merchant Marine and Fisheries opposed to this bill, nor the Democratic Party, is opposed to an adequate American merchant marine, or is in favor of permanent Government ownership of an American merchant marine. On the other hand, the Democratic Party is now, as it ever has been, the zealous friend and champion of a strong American merchant marine. The Democratic Party is not now, nor has it ever been, in favor of Government ownership of this or any other public utility.

#### PENDING BILL PRESENTS NO SOLUTION.

I also want to say that the proponents of this bill have from the very beginning persistently insisted that this bill presents the only solution, when, as a matter of fact, it presents no solution whatever. It presents the antithesis of a solution. The fact of the business is that Chairman Lasker and his highly paid associates, after having pretended to study this question for a year and more, offer no remedy, offer no solution of the ills of which they all complain with regard to our merchant marine. They admit their inability to present any businesslike, constructive solution of the problem. All that they offer is simply to change the method by which the money shall be paid out of the Public Treasury. Instead of paying the money for voyage losses to the managing agents now operating the lines, they propose to shift it and permanently pay at least fifteenfold as much directly to the shipowners after they give them the vessels. That is the only solution they offer. They simply propose to administer a very expensive artificial stimulant which will leave the patient in a worse condition. They have not even correctly diagnosed the disease. They only offer to treat the symptoms with a poisonous nostrum instead of treating the disease with a scientific remedy. Suppose you should call an efficiency expert to study and offer a remedy for a sick business, and he made a report to you in which his only recommendation was that you continue operating the business at a loss and then call upon the stockholders to make up the annual deficit. You would immediately discharge him and call in somebody to discover the inefficiency, the leaks, the

extravagances, the errors of management, and to suggest remedies.

A member of the Shipping Board naively suggested that, as we are spending \$50,000,000 a year through the Shipping Board, we may as well give it to the private shipowners. We say, "Why not save it?" which can be done by the application of economic, scientific, and businesslike methods.

Mr. SNYDER. Will the gentleman yield?

Mr. DAVIS of Tennessee. I yield for a brief question.

Mr. SNYDER. A short time back in your argument you stated that there was no demand for this bill, and that no member of the Cabinet had called upon the President to bring this measure before the country. I thought at that time you were going to tell us who did prevail upon the President to bring it before the country. You have not done so yet.

Mr. DAVIS of Tennessee. I read the press notices which I said were typical, showing the constant waiting upon the President by Albert D. Lasker.

Mr. SNYDER. Who would the President be likely to consult in his efforts to get up a proper statement to make to the country if not the chairman of the Shipping Board?

Mr. DAVIS of Tennessee. I think he would naturally consult the man whom he had seen proper to appoint chairman of the Shipping Board, and he is the man who was appointed, a man who admitted that he knew absolutely nothing about the business when he came to it. He was simply a publicity expert. And right in that connection I want to say that, assuming that the President is acting upon the advice of the chairman of the Shipping Board, it is the merest chance that this bill is presented for the consideration of the American Congress; because the President first offered this chairmanship to James A. Farrell, and held up the appointment for weeks in an effort to induce Mr. Farrell to accept. If Mr. Farrell, who has had a wide experience in the construction and operation of ships, had been appointed, no ship-subsidy proposition would have been presented to this Congress.

Everybody understands that Lasker is controlling the policy of the administration with regard to this proposed legislation. That is what I am talking about—the blight of Laskerism. While it does not yet seem to be appreciated by some, before you get through with this thing those standing for this policy will find that Laskerism is more embarrassing than Newberryism.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. DAVIS of Tennessee. If it is very brief. I have a great many things that I want to say.

Mr. SNELL. Do I understand correctly that the Shipping Board at the present time is made up of four Republicans and three Democrats? Is that correct?

Mr. DAVIS of Tennessee. Why, yes; three alleged Democrats.

Mr. SNELL. As I understand the Democrats and Republicans both are unanimous in the support of this bill and the general provisions of it. Is that correct?

Mr. DAVIS of Tennessee. Yes; that is true. And right in that connection I want to say that two newspaper men who were present at a newspaper conference with Chairman Lasker said that Chairman Lasker told them that the President had advised him that, if any member of that Shipping Board did not go along in harmony with Chairman Lasker in his policies, he—Lasker—should notify the President, and he would discharge such member of the Shipping Board; that the only reason he appointed any of them, except Mr. Lasker, was because the law required it. [Applause.]

Mr. LONDON. Will the gentleman yield for a short question?

Mr. DAVIS of Tennessee. I should like to get along, but go ahead.

Mr. LONDON. The gentleman does not mean to say that any Democrat would recommend something against his conscience and against his judgment simply for the sake of holding on to a job, does he? [Laughter.]

Mr. DAVIS of Tennessee. I said "alleged Democrats." [Applause on the Democratic side.]

#### RELATIVE LOSSES AND CAUSES THEREOF.

Much has been said about the relative losses under the former and present administrations; in both of his merchant marine messages the President mentioned \$16,000,000 monthly losses before the present Shipping Board took charge; and extravagant claims have been advanced as to the reduction in losses effected by the present Shipping Board.

The net profits from the operation of Shipping Board vessels from the beginning to March 31, 1920, were \$132,783,781.29, as reported by the Shipping Board, and as incorporated in the re-



port on the merchant marine bill of 1920, filed by Chairman JONES for the Senate Committee on Commerce.

According to the report of the Shipping Board, the excess of cash outgo, Division of Operations, for May, 1921, was \$6,000,000 and for June was \$1,714,000. The present Shipping Board took charge as of July 1, 1921. It is a fact that the largest losses in the operations of the Shipping Board vessels occurred during the fiscal year ending June 30, 1921, although I have seen no report showing a loss of \$16,000,000 per month except for one month. During the fiscal year mentioned there came the slump in business and commerce, not only applicable to our own country but world-wide in scope; our foreign commerce dwindled tremendously. When the depression arrived there were about 1,300 Shipping Board vessels in operation busily carrying our foreign commerce. The slump in commerce naturally brought a slump in cargoes for our ships. Our large number of ships could not continue operating profitably when there was only cargo sufficient for one-third or one-half of their number. This situation required expert attention. However, commencing about the time the depression arrived in full force, our immense Government shipping interests were left practically leaderless and rudderless, the business being largely directed by subordinate officials, due to the following situation, to wit: The merchant marine act of 1920 increased the Shipping Board to seven members and directed the appointment of an entirely new board. Congress adjourned the day following the passage of that law. Not even was an appropriation made to pay the salaries of the new board. President Wilson made recess appointments of the new board. When Congress reconvened the Senate refused to confirm his appointments. President Harding did not appoint the members of the Shipping Board until June 8, 1921, they being sworn in a few days later, so that the largest business in the world's history was permitted to drift from June 5, 1920, to March 4, 1921, without a Shipping Board which had been confirmed by the Senate, and from March 4, 1921, until after June 8, 1921, a period of more than three months, without any Shipping Board whatever. Under those conditions, what else could be expected except the result which followed? Of course, Mr. Lasker naturally found the business in a sick and demoralized condition. However, the former Democratic administration can certainly not be justly held responsible for that situation.

In laying up all of the ships except slightly over 400, and doubtless in tying up those sustaining the heaviest losses, the present Shipping Board certainly should have effected very great savings. Furthermore, they certainly ought to do better than no Shipping Board at all.

In a recent and apparently inspired article that appeared in the Washington Post, generally regarded as the official organ of the administration, appeared the following:

The views of the supporters of aid to American shipping are pithily set forth in an editorial written by Edward G. Lowry, appearing in yesterday's issue of the Philadelphia Public Ledger.

"Here is the argument," writes Mr. Lowry, "that won President Harding:

"The United States owns 1,500 ships. Of these, 1,100 are rotting in idleness and 400 are being operated by the Shipping Board at an annual loss of about \$50,000,000. That is what the ships are now costing the taxpayers. This sum may be reduced. The estimated first-year cost of the subsidy will be about \$15,000,000, and it will run up to about \$30,000,000 a year if the proposal is a complete success. If the subsidy is a success, it will increase the value and sale price of the ships which the Government will turn over to private shipping firms."

Now, according to this article, those are the alleged facts that were presented to the President, that have induced him to take the course he has, and are substantially the same arguments made by him in his message as a reason for his persistent advocacy of this measure.

If you will recall, the chief argument that was made by the President in his recent address was that we should enact this legislation in order to stop the annual \$50,000,000 loss.

WILL NOT STOP \$50,000,000 ANNUAL SHIPPING BOARD LOSS.

Now, what are the facts in regard to that? In the first place, only a small portion of that \$50,000,000 goes to the payment of voyage losses. The appropriation for the Shipping Board this year, based on the estimate furnished by the Shipping Board, was \$50,000,000, and the Shipping Board themselves itemized it so as to provide \$5,497,000 for the payment of the voyage losses for the current year. All of the balance of the \$50,000,000 is for administration, repairs and betterment, insurance, lay up, and advertising. They were conservative in their estimate, because the voyage losses are running less than that, and the last monthly report of the voyage losses and profits showed no losses at all, but a small profit. Under the worst depression in the history of shipping, under the wasteful, inefficient, red-tape management of the Shipping Board, the 400 ships that are being operated were operated without any voyage loss for the month that was last reported.

A better showing could and should have been made than that, but now it has reached the point where there are no voyage losses. Moreover, the sum total of all the expenses, instead of reaching \$50,000,000, according to the estimate, is now running about \$35,000,000 annually.

WILL NOT GET GOVERNMENT OUT OF BUSINESS.

But, as I say, will this legislation stop that? I say emphatically that it will not; I say emphatically that it will not get the Government out of the business. I say emphatically that it will not promote any substantial sale of the fleet. If you will hear me I will prove each and all of these assertions by the testimony of those who appeared at the hearings in behalf of this bill. I did so in my speech in this House June 13, and the same was repeated in the minority report on this bill.

The Shipping Board is operating but 13 ships directly, or at least that was the number operating at the time of the hearings. They are operated in the name of the United States Line, of which Thomas H. Rosbottom is manager on a salary of \$10,000 per annum. He is managing it for the Shipping Board, and although he has been operating these vessels in the North Atlantic trade, which is recognized as embracing the sharpest and the most pronounced competition of any section of shipping in the world, and although in part he was operating some "old German tubs," as he termed them, 21 years old, which he said no man could operate at a profit anywhere, yet with a few good vessels he has been operating the fleet at a substantial profit, and that, too, under the worst depression in the history of shipping and in competition with the strongest maritime nations on earth.

Mr. EDMONDS. Will the gentleman yield?

Mr. DAVIS of Tennessee. Oh, I know the gentleman from Pennsylvania is going to say that that did not include interest on the investment.

Mr. EDMONDS. And depreciation and advertising.

Mr. DAVIS of Tennessee. It included advertising. Mr. Rosbottom said that it did include advertising, but the profits he reported did not deduct anything for interest and depreciation. But the profit was sufficient to count and overcome interest and depreciation and still leave a profit, and he said if they would give him all the fleet like some of the ships he had he would not take off his hat to any nation on earth under any conditions. [Applause.]

You will find these facts fully stated in the hearings, and in this connection I want to say that if every Member of the House would read the hearings from beginning to end I know that this bill would not have any more chance of passage through this House than the proverbial snowball.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. J. M. NELSON. I wish the gentleman would tell the experience that Mr. Rosbottom has had.

Mr. DAVIS of Tennessee. I am going to state that in connection with what I think ought to be done to meet the situation. Now, remember that although the Shipping Board is operating only about 13 ships directly and all the others are operated by managing agents who are operating them on a commission basis, each and every one having its own organization, yet the Shipping Board, according to information they furnished the Appropriations Committee, had 8,280 employees. Oh, I tell you, my friends, the trouble is there. This political job house in which they persist in paying such high salaries—

Mr. EDMONDS. Will the gentleman yield? On November 15 there were 4,079 employees. I know the gentleman does not want to make a mistake.

Mr. DAVIS of Tennessee. I do not want to make a mistake, but I do not concede those figures. I have seen no statement to that effect and it is contrary to the ones I have seen. No claim of reduction was made at the hearings when Chairman Lasker and others were asked why they had been unable to reduce the number of employees in view of the fact that such a large number of ships had been laid up. I know that they have discharged a great many employees down there, but they have filled their places with deserving Republicans.

A MEMBER. I hope that is so.

Mr. DAVIS of Tennessee. I am sure many of you gentlemen who are hoping it is so are helping to bring it about. That is all right; that is politics. I am discussing the facts. I am showing the trouble is not in the operation of vessels, but the trouble is that they have an extravagant organization. All the work that is necessary to be done by the Shipping Board can be better performed by less than a thousand men. That is the trouble, and if you want to clean house, there is the place to begin.

Now, what else? What will happen if we pass this bill with regard to the reduction in expenses? Will this \$50,000,000 expenditure stop by the operation of this bill? I say nearly all



of it ought to stop whether this bill passes or not. But right in that connection I want to say that I believe any fair-minded man who will carefully read the provisions of this bill will agree with me that there are more functions imposed upon the Shipping Board in the pending bill than are imposed upon them by existing law. It will take a larger force of permanent employees to carry out the provisions of this bill than are actually required to perform the present services. It will not reduce the number of employees.

Chairman Lasker was asked why it was that there had not been a reduction in Shipping Board expenses in view of the fact that there had been a large reduction in the number of ship operations. I read from the hearings:

Mr. DAVIS. Well, you are only operating less than one-third of the vessels now.

Mr. LASKER. Well, as a business man, you know this: That whether we are operating 400 ships or 1,200 ships, there isn't much difference in your overhead.

That is some of the business acumen displayed. Of course we emphatically denied that. Now listen further:

Mr. DAVIS. Even under the operation of this law, and at least until the ships that are sold on time are paid for, will it not be necessary to continue a very substantial Shipping Board force?

Mr. LASKER. Do I understand you to ask "until the ships are paid for will it be necessary"?

Mr. DAVIS. Yes.

Mr. LASKER. The answer to that is no; but if your question means as long as we have to operate the ships, where we have to keep substantially the same organization as now, the answer is yes.

Now, it being conceded that the present expenses of the Shipping Board will continue until our ships are disposed of and the Shipping Board ceases to have any of same operated, the query naturally arises as to when that time will arrive, and when there will be no longer any operations under the supervision of the Shipping Board. During the cross-examination of Mr. Lasker he made the following statement:

It will be a good many years before we do not have any stuff left, with most favorable legislation. I want to make it plain here that I do not think the proposed legislation is going to, by the wave of a magic wand, give us a merchant marine.

In his original statement at the hearings, Chairman Lasker said:

The Shipping Board wishes to emphasize to your committee and to Congress that world shipping is now more depressed than it ever has been in proportion to world tonnage.

We believe that of the 700 good freight ships we have, the Shipping Board would feel very happy if, within 30 months from the time of the passage of this bill, it could dispose of sufficient ships to take care of the routes it is now operating and put the Emergency Fleet Corporation out of business as an operating company.

He makes no prediction as to the disposition of the remainder of the 1,700 vessels owned by the Shipping Board. The following also occurred on the cross-examination of Mr. Lasker:

Mr. DAVIS. Now, you stated yesterday that if this bill should pass you estimated it would take 30 months within which to dispose of the 400 vessels owned by the Shipping Board now in operation. I want to ask you how long it would take you to dispose of the balance of the Government fleet and other shipping property?

Mr. LASKER. That is a very difficult thing to answer. First, we would have to solve what is to be done with the figures 5,000,000 dead weight of questionable ships, because as long as they are in existence it hangs as a pall over the whole market for the good ships, and whether or no the last 300 would sell very fast would be determined by world conditions, on the one hand, and how successful we were in building up an American merchant marine, on the other hand.

It will be noted that Mr. Lasker does not even pretend to say how many years it would take to dispose of those that are not now in operation on trade routes. If Mr. Lasker, the zealous father and champion of the bill, is unwilling to say upon cross-examination that this expense would stop under 30 months, at best, and then only in part, I want to ask you in all fairness if he did not impose upon the President when he led him to believe and to make the statement to this Congress, which I think the President did in all sincerity, that the passage of this bill would stop this \$50,000,000 annual loss? [Applause.]

WILL NOT CAUSE SALE OF SHIPS.

However, my conclusion is not only conceded by Lasker, but it is proven by numerous other proponents of this bill, and I want to call your attention to the fact that Winthrop L. Marvin, the general manager of the American Steamship Owners' Association, who has taken a more active interest toward procuring the passage of this bill than any man except Chairman Lasker, testified at the hearings and gave, perhaps, the most favorable testimony as to what effect the passage of this bill would have upon promoting the sale of our vessels; and I want to read briefly from the hearings on that point:

Mr. BRIGGS. Now, do you feel that the policy of pushing those ships upon the market for sale, to get them in the hands of private operation and the Government out of the business, even after the passage of this bill, will result in any material increase in the price of those ships?

Mr. MARVIN. That can not be answered yes or no, very easily. If general world conditions improve, if the volume of traffic returns to normal, it is possible—and, indeed, probable—that there will be an appreciation in the world price of ships.

Right in that connection I want to say that the Shipping Board is already offering these ships at specified prices, and at prices about a third or a fourth or a fifth, not of what the ships cost, but of what they would have cost under normal conditions before the war, and of what they will cost when conditions again become normal; and no member or representative of the Shipping Board indicated that they even expected to ask for more after the passage of this bill, but, on the other hand, stated the opposite. Therefore, do not delude yourselves into the belief that the Government will ask or get any higher prices after the passage of this bill.

Right along the line of what Mr. Marvin said about world conditions, I want to make this assertion, without the fear of contradiction, that no subsidy, no Government aid, can increase commerce. It can not produce a single ton of freight, and ships can not be operated successfully or profitably without commerce to carry unless you propose to pay sufficient subsidies to justify them to operate in ballast. This fact was recognized by the majority report on this bill, which states:

Fundamentally, the existence of a merchant marine is dependent upon actual carrying of cargo. All privileges, economies, and aids, notwithstanding the ultimate success or failure of a merchant ship, lie in its employment at sea carrying cargo. Then, and then only, does the vessel become a producer.

The difficulty is not a lack of subsidies, but a lack of cargoes, due to diminished commerce.

Let us read further from the hearings:

Mr. BRIGGS. What I am asking you is, even if the bill should pass, as suggested, whether you think there would be really any substantial increase in the price the fleet would bring? Some gentlemen seem to think so. I am asking your opinion about that.

Mr. MARVIN. With no substantial improvement in world trade conditions, I am of the opinion—no man can be absolutely certain—

Mr. BRIGGS. Certainly.

Mr. MARVIN. But I am of the opinion that the passage of this bill will insure in a reasonably short time the sale of a substantial proportion of the good cargo steamers of the Shipping Board at prices comparable with the present-day world market price of such ships, of \$25 to \$35 a dead-weight ton.

Mr. BRIGGS. When you say a substantial proportion, what do you mean, and of the good ships? Just put that in concrete terms.

Mr. MARVIN. Some hundred thousand tons of cargo ships.

Mr. BRIGGS. A half million?

Mr. MARVIN. Well, I had rather not name any specific number of hundred thousand tons.

So here is one of the chief advocates of this bill, a man on a salary paid by the American Steamship Owners' Association, that is pressing this legislation, who, when put to the test on cross-examination, would not go any further than to say that if this bill passed and if world conditions improved he thought that within a reasonable length of time some hundred thousand tons could be sold at the low prices which he named.

Mr. J. M. NELSON. And out of how many?

Mr. DAVIS of Tennessee. Out of over 10,000,000 tons that the Government owns, not counting the wooden ships. I am now quoting their own witnesses. It is not necessary to refer to the illuminative and convincing and irrefutable testimony introduced by the opponents of the bill. No legislation which you pass will get the Government out of business, will promote a sale of ships at any price worth while, until world conditions improve.

The Government ought to do just what any prudent business man would do when, according to the testimony of all who have testified on the subject, there is now no sale for ships because there is no use for them. It is no time to throw them upon the market in order to be gobbled up at sacrifice prices by a syndicate which will later sell them at advanced prices when conditions do improve. Their own witnesses repeatedly said what I am saying. J. B. Smull, one of the \$35,000 experts, said before the Committee on Appropriations that "there is no possibility of selling the boats at any price," and he further stated that the time when they could sell the boats would arrive when financial conditions improved. Even Chairman Lasker said at those same hearings that "you can not give a ship away to-day; I mean that literally, if a man must pay the cost of operation." Before the Committee on Appropriations about a year ago Mr. Lasker further said, before this subsidy bug had gotten into his system:

When the world's shipping gets buoyant the avarice of men will make them want to increase their fleets, and we will sell the ships, and that day is sure to come; and the Government has got to keep the ships going and put confidence either in ourselves or some others to keep them going as efficiently as can be under the circumstances, until such time arrives.

In an address last year Mr. James A. Farrell, president of the United States Steel Corporation, whom the President first wanted to be chairman of the Shipping Board, said:

It is questionable whether under present conditions any considerable tonnage could be sold except at a sacrifice which is not warranted, pending a revival of business in foreign markets, and considering the nominal cost of maintenance laid up.



Of course, there has been no appreciable improvement in conditions, as recognized by Chairman Lasker at the hearings on this bill when he stated:

At the present time there is, by and large, no market for our vast tonnage. We can not sell ships to-day at all.

Lasker further stated at the hearings on this bill:

While world trade is at the moment at its lowest, the time will come when trade will expand.

Attention is also called to the following quotations from the large study prepared and distributed under the direction of the Shipping Board in behalf of this bill, to wit:

One of the most difficult problems confronting the Shipping Board is the sale and transfer of Government-owned ships to private owners. The task has been made especially difficult by the present world-wide depression in industry and by the large overproduction of ships. These two important factors have delayed the sale of Government-owned tonnage to such a degree that only a few ships have been sold in the 18 months that have elapsed since the passage of the Jones Act. \* \* \*

The present depression in shipping will doubtless continue for several years. Ships can not, therefore, be sold except at very low prices, as is evidenced by the low prices at which privately owned British tonnage and a few Shipping Board ships have been sold in recent months. \* \* \*

W. J. Love, vice president of the Emergency Fleet Corporation, in charge of traffic, and one of the \$35,000 experts, stated at the hearings:

The foreign lines have been hit just as well as we have, and, while they have not abandoned a single essential route or service that they covered prior to 1914, they are reducing their tonnage in keeping with reduced revenue and volume of cargo moving.

There is a large amount of idle tonnage all over the world. France pays the most liberal subsidies of any nation, and yet on March 1 one-third of her tonnage was laid up. Sixty-five per cent of Italian, 50 per cent of Belgian, 40 per cent of Danish, 40 per cent of Swedish, 38 per cent of Spanish, and 25 per cent of Greek merchant tonnage are laid up. A large amount of Japanese tonnage is idle, but the exact figures are not available. Great Britain, which pays no subsidies, and whose seamen receive the largest wages of any country except the United States, has the smallest percentage of idle tonnage—I believe about 10 per cent—except that there is probably a smaller percentage of idle German tonnage, although their entire fleet is very small. Italy, which pays the lowest wages of any country except the oriental countries, has the largest percentage of idle tonnage, although she pays ship subsidies.

However, even if the passage of this bill would result in the immediate sale of our ships at the hoped-for price of \$200,000,000, it would be the costliest sale imaginable, as the subsidies and aids provided in the bill would cost more in three years than such \$200,000,000, not to speak of the \$125,000,000 loan at 2 per cent interest for at least 15 years, and the further fact that the annual cost of at least \$75,000,000 would continue indefinitely. The argument that the passage of this bill is necessary in order to enable us to sell the fleet is without merit, either from the standpoint of fact or economy. From the standpoint of economy it would be infinitely cheaper to absolutely give the ships away in the first instance than to sell them for the insignificant sum of \$200,000,000 and pass this bill involving the enormous permanent expenditure which it would entail.

#### CHARGES UPON THE PUBLIC TREASURY IMPOSED BY THIS BILL.

It has been repeatedly asserted that if this bill should pass the cost the first year would be only about \$15,000,000, and thereafter about \$30,000,000 annually. Even the President in his recent message repeated this assertion in substance. While such assertions doubtless have reference alone to the voyage subsidies, and therefore constitute only half truths, in view of the various other burdens upon the Treasury imposed by the bill, yet such an assertion is very inaccurate even as applied to voyage subsidies alone.

As fully appears on pages 239 to 241 and 273 of the hearings, Chairman Lasker admitted that if this bill should pass and its provisions get into full operation, certain specified provisions of the bill would impose a direct charge on the Public Treasury of \$52,000,000, and this did not include certain provisions, the cost of which he was unwilling to estimate.

This bill creates a "merchant marine fund" for the payment of the voyage subsidies, "which shall be subject to withdrawal by the United States Shipping Board on requisition approved by the chairman of the board." This fund is to be derived from 10 per cent of our custom receipts, which Chairman Lasker estimated will amount to about \$30,000,000 per annum; by tonnage taxes, which he estimated will amount to about \$4,000,000 per annum; and by the amounts which would otherwise be paid for carrying the mails, which he estimated at \$5,000,000; making a total of \$39,000,000; and all of which

amounts the Secretary of the Treasury is directed to pay into said merchant marine fund without any appropriation by Congress.

Since Chairman Lasker thus testified, the bill has been changed so as to not cover the amount which would otherwise be paid for ocean postage into the merchant marine fund, but such is to be paid direct for carrying the mails, which thus increases the pay to the shipowners to the extent of about \$5,000,000.

Attention is called to the fact that the Secretary of the Treasury is directed by the provisions of the bill to annually pay into said merchant marine fund 10 per cent of custom receipts and all of the tonnage taxes, and the only way such funds can be paid out is upon vouchers signed by the chairman of the Shipping Board for the payment of subsidies. The fund is cumulative. The burden upon the Public Treasury consists of the amount paid into said fund, regardless of the fact as to whether all of same should be paid out the first year or any year. However, in view of the fact that the Shipping Board has the power to double the basic subsidies provided in the bill, and in view of the fact that the shipowners contended at the hearings that the subsidies provided were not sufficient, we may rest assured that the amounts paid into the merchant marine fund will be paid out for subsidies.

Another direct charge on the Public Treasury is involved in the provision authorizing deductions from net Federal income taxes of 5 per cent of the freight paid on goods imported or exported in American-flag vessels, which Chairman Lasker and the Shipping Board report estimate would amount to about \$10,000,000 per annum when the program gets into operation; as a matter of fact, it would amount to much more than that.

Mr. Lasker also conceded that in lending the \$125,000,000 at 2 per cent interest the Government would be losing at least 2 1/2 per cent, which would amount to \$3,125,000 per annum. Furthermore, the 2 per cent interest, amounting to \$2,500,000 annually, if collected, will go into this loan fund and not the General Treasury.

It will be noted that these different items involving a direct charge on the Treasury aggregate \$52,125,000, according to Mr. Lasker's admissions and figures, and not including the \$2,500,000 annual interest, which should also be counted.

Lasker's estimate of \$30,000,000 from 10 per cent on import duties was predicated upon the supposition that such import duties would amount to \$300,000,000 per annum, whereas it is estimated by Treasury experts that under the operation of the recently enacted tariff act such revenues will amount to \$450,000,000 per annum, so that this item should be increased from \$30,000,000 to \$45,000,000. Accepting Lasker's figures on the other items, all of which are entirely too low, and also adding the 2 per cent interest on the loan fund, which would go into the loan fund instead of the General Treasury, we have a total cost of \$69,625,000 per annum under the above-mentioned items.

Furthermore, this bill exempts the operators or vessels from the payment of "war-profits and excess-profits taxes imposed by Title III of the revenue act of 1918 or any and all taxes on income, corporate or individual, imposed by the revenue act of 1921, or by any subsequent revenue act, an amount equivalent to the net earnings of such vessel during such taxable year," provided the owner "invests or sets aside in a trust fund for investment" for the construction of new vessels.

The bill further provides for the exemption from taxation of the profits made upon the sale of vessels built prior to January 1, 1914, provided such owner "invests or sets aside in a trust fund for investment for the building of new vessels." I do not know why this advantage is accorded to privately owned vessels but not to those built by the Shipping Board.

Of course, it is impossible to state the extent of the charge upon the Public Treasury of these tax exemptions and none of the representatives of the Shipping Board would give any estimate thereon.

The bill further provides for the elimination of the Army and Navy transports so as to require our troops, munitions, and supplies to be carried in privately owned vessels without any distinction in time of war. Chairman Lasker and the Shipping Board report estimated that the income to privately owned ships from this source would amount to \$7,500,000 per annum in the Pacific alone; of which amount they state that approximately \$5,000,000 would be net profit to the ship operators. It will be noted that this amount does not include the Army and Navy transport service to the Canal Zone, Porto Rico, the Virgin Islands, Haiti, and so forth.

One of the provisions of the bill provides that 50 per cent of the immigrants to this country shall be transported in American vessels. Mr. Thomas H. Rossbottom, a representative of the Shipping Board, who testified at the hearings, estimated



that under the present 3 per cent quota law "this traffic would give the transporting companies a gross income of \$17,600,000 per year, of which one-half, or \$8,800,000 should come to American owners." He further stated that one-half of this sum would be net profit.

There are other indirect aids carried in the bill, which I shall not now discuss.

However, Lasker stated at the hearings that the indirect aids provided in the bill were of much greater value than the direct aids.

Wherefore, as previously stated, it is a conservative estimate to state that this bill would constitute a direct charge upon the Public Treasury of at least \$75,000,000 per annum, not to speak of additional costs to the American public.

I have quoted the estimates made by the proponents of the bill with regard to the cost to the American people. Their estimates are entirely too low. The charges upon the Public Treasury which would accrue from the operation of this bill may be fairly and conservatively estimated as follows:

10 per cent of customs duties-----	\$45,000,000
Tonnage taxes-----	4,400,000
Ocean postage-----	5,000,000
Rebate on income taxes of 5 per cent of ocean freight-----	15,000,000
Ship operators' exemption from all Federal taxes on profits, incomes, etc-----	15,000,000
Exemption from taxation of the profits upon sale of certain vessels-----	( <sup>1</sup> )
Additional expense for Army and Navy transport service-----	5,000,000
	89,400,000

The difference between the proponents of this bill and those of us opposing it is this: We are in favor of the Government getting out of the business; but when the Government gets out we want it to get out entirely. We do not want it to stay in there to the extent of maintaining a tremendous and expensive force of employees to perform the different functions enumerated in the bill. We do not want the Government to stay in it to the extent of at least \$75,000,000 additional burdens of taxes upon the American people.

#### AGAINST INTERESTS OF FARMERS.

I revert for a moment to the lesson taught in the recent election. The majority floor leader is reputed in the Washington Times of the 16th instant to have given out an interview in which he said in substance that the farmers had defeated the Republican Party in the recent election, and that "the closer a candidate was to the administration the harder he got hit." He goes on to explain, according to this interview, that the farmers did it because they were discontented and dissatisfied with their intolerable condition. They were protesting against the burdens of taxation and the conditions which have obtained in regard to agriculture during the past two years. Yes; that is true. We all know the prostrate condition of agriculture.

The President himself recognized it but not to the extent of calling an extra session to relieve that prostrate condition, although our agricultural element constitutes nearly half of our population, the bone and sinew of our country, and our chief and only absolutely necessary industry. Yes, they cry out for relief, and the answer is that instead of relieving them of some of the tax burdens you will impose upon them additional and very large tax burdens. They asked for bread and they are handed a stone. They asked for fish and they have been handed a serpent. But one of the most ridiculous arguments made in behalf of this bill is that it is in the interest of the farmer. However, it being apparent that it is not deceiving the farmer any more than the claim that this bill was in the interest of labor is deceiving labor, the proponents of this bill, many of them, have lost their temper and are indulging in criticism of the farmers because they say, "You have got your subsidies and now you are complaining at the Shipping Trust getting theirs." Different speakers, even including the President in his address, have referred to the pitifully small appropriations that have been made from year to year in the interest of agriculture. This great industry, constituting such a large proportion of our population, has been given less consideration by the American Congress than any other class or industry in it. Out of the billions and billions of dollars of annual appropriations the appropriations for agriculture are \$25,000,000 or \$30,000,000 a year, and they are prating of that, and now in the next breath they say that this bill is in the interest of the farmer. I deny it. I say that it will impose additional burdens upon the farmer not only without helping him but without any intention of the framers to help him. This bill is not in the interest of commerce, this bill is not in the interest of the cargo carriers. This bill is in the in-

<sup>1</sup> Can not estimate.

terest alone of the palatial ocean greyhounds, which cross the seas for the comfort of those who are able to travel abroad.

Mr. HIMES. Will the gentleman yield?

Mr. DAVIS of Tennessee. Why do I say that—I think I will answer the gentleman's question, if he will pardon me for a moment, and then I will yield.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. DAVIS of Tennessee. I will.

Mr. GARRETT of Tennessee. It has always been my impression that the theory upon which appropriations for agriculture are made is that they are not made for the benefit of the farmer alone, but were made in an effort to increase production.

Mr. DAVIS of Tennessee. Yes; and reduce the cost of production.

Mr. GARRETT of Tennessee. Of those things essential, the food and clothing of the world.

Mr. DAVIS of Tennessee. Absolutely.

Mr. GARRETT of Tennessee. And thereby try to benefit all the people. I do not think that the appropriations for agricultural purposes can in any proper manner be dubbed a subsidy of any private or special interest.

Mr. DAVIS of Tennessee. My distinguished colleague is absolutely correct. None of the things they cite constitutes a subsidy. They are in the interest of all of the people and not in the interest of individuals, absolutely not. They are in no sense a subsidy or bounty.

Mr. EDMONDS. Will the gentleman yield?

Mr. DAVIS of Tennessee. In just a moment. I was referring to the ridiculously small amount of appropriation of these particular classes, and as suggested by my colleague the thing that is in the interest of agricultural production is in the interest of every man, woman, and child of America, because each and all of them are consumers of farm products. I yield.

Mr. EDMONDS. Who receives the financial benefit of the agricultural subsidies?

Mr. DAVIS of Tennessee. Well, those who sell their goods to the farmer receive about all he makes, because the farmer receives less upon his investment and in return for his labor than any other class of people in America. [Applause.]

However, there have been no agricultural subsidies.

Mr. J. M. NELSON. Before the gentleman proceeds further along that line I want to ask him a question.

Mr. GARRETT of Tennessee. If the gentleman will permit, not a dollar appropriated for agriculture goes directly to any farmer. The money is used for the purpose of employing educators, publishing literature, and matters of that sort. It is not taking money out of the Treasury and giving it to the farmer.

Mr. DAVIS of Tennessee. Certainly not. And it is for studying diseases in order to increase production of the crops and to make the production correspondingly cheaper.

Mr. J. M. NELSON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

#### NO REDUCTION OF OCEAN FREIGHT RATES.

Mr. J. M. NELSON. In this connection, what will be the effect of eliminating competition in freight for farmers on products that go to Liverpool?

Mr. DAVIS of Tennessee. There is not any assurance, not even a claim, by any of the proponents of the bill that these subsidies and burdens upon the people will result in any reduction of ocean freight rates. On the other hand, it is predicated upon the alleged basis that it is necessary to pay these subsidies in order to equalize them; and, more than that, I want to say that Chairman Lasker at the hearings called attention to the fact, in explaining the benefit of the provision which permits shippers in American bottoms to deduct 5 per cent of their freight money paid from their income taxes—I say, in discussing the benefits of that Chairman Lasker said that the shipper could afford to pay 4 per cent more freight for carrying in an American bottom than he would have to pay for carrying in a foreign bottom and still save 1 per cent. There is no provision in this bill providing for the regulation of ocean freight rates.

Mr. BANKHEAD. Mr. Chairman, the time of the gentleman from Tennessee will expire in 2 minutes. I desire to extend to him 30 minutes more.

The CHAIRMAN. Without objection, the time of the gentleman from Tennessee will be extended for 30 minutes. The Chair hears no objection.

Mr. HIMES. Mr. Chairman, will the gentleman permit a brief question? I want to ask it now, because I must leave the Chamber presently.

Mr. DAVIS of Tennessee. Yes.



Mr. HIMES. In the very interesting argument of the gentleman it seems to me the outstanding point that he is trying to make is that the \$50,000,000 expense will not cease immediately. Does not the gentleman believe that after a period of years the Government and the taxpayers will be saved a considerable amount? I know, having served with the gentleman on a committee, that he is frank, and I ask him that question, whether money will not eventually be saved in a period of years as the result of this subsidy?

Mr. DAVIS of Tennessee. No; because the passage of this bill will not only not eliminate the Shipping Board expenses but will impose very heavy additional burdens that will continue indefinitely, as I have heretofore explained. And in that connection I want to warn those of you who may be deluded in the idea that if this policy is once fastened on the American people it will be only temporary. That is not the history of such things. It is not the purpose of the proponents, and it will not be the result.

However, I want to get back to the proposition I was discussing, and that is this, that this bill is not designed in the interest of commerce nor in the interest of the farmer. Under the provisions of this bill the direct subsidies, the voyage subsidies, are from one-half cent to 2.6 cents per ton for 100 miles traveled. The increase in subsidy is effected by increased speed. Seventy-five per cent or over of the world's commerce is carried in tramp cargo steamers of about 5,000 to 7,000 gross tons and of 8 or 9 or 10 knots speed, and a ship must have 12 knots speed before it can get in excess of the one-half cent.

Homer L. Ferguson, one of the witnesses for the Shipping Board, and R. T. Merrill, their star witness, in fact their "pinch" witness, both testified that an ordinary 5,000 gross ton cargo steamer under 12 knots speed running on regular time would draw \$7,500 annual subsidy. A 7,000-ton ship of the same kind, which would be about 10,500 tons dead weight, would draw \$10,500 subsidy per annum; a comparatively small sum in the year's operation of a ship. And various witnesses appeared in behalf of the bill who testified that if you are going to pay subsidies, that is not nearly enough for the cargo steamers, the ones that carry the farm products and the commerce of the world, and which meet the sharpest competition.

Now, what is this bill for? It is admitted that the \$125,000,000 fund to be loaned at 2 per cent interest is to go for the construction of other classes of ships, and it is conceded that most of the voyage subsidies will go to other than these cargo steamers. You have seen it stated in the press from Chairman Lasker and others that negotiations are under way for the construction of two 1,000-foot passenger liners, each of 70,000 gross tons, the largest in the world, their construction being contingent upon the passage of the pending bill. It is entirely possible that these ships may be constructed, as under the provisions of the Lasker subsidy bill the owners could borrow two-thirds of the cost of construction on 15 years' time and at 2 per cent annual interest. Then under the provisions of this bill those ships would be entitled to more than \$4,000,000 annually, according to the basic subsidies, and twice that amount if the Shipping Board doubles the basic subsidies, under the discretion lodged in them by the pending bill; so that the two ships would be entitled to more than \$60,000,000 in voyage subsidies during the 15-year period, and \$120,000,000 if such subsidies were doubled by the Shipping board. Also they would be exempt from the payment of all Federal taxes, provided they set same aside for reinvestment. And they would be entitled also to various other benefits under this bill.

Take the *Leviathan*, of 54,000 tons, which Mr. Merrill, the Shipping Board witness to whom I referred, conceded at the hearing would be entitled to more than \$900,000 voyage subsidy annually, according to the basic rates, and twice that if doubled. I say that he is entirely too conservative, as anybody can see by taking a pencil and a piece of paper and figuring out what it would be entitled to. Of course these are large vessels that I am talking about, but there are numerous passenger vessels already in existence that would be entitled to subsidies of one-half or one-third or one-fourth as much as these. And who would use them? Who would travel upon these palatial steamers? None except the very wealthy. How many farmers would be able to travel upon them?

I have referred to the subsidy that would be received by 5,000 to 7,000 gross-ton cargo vessels, which would be about 50 per cent more dead-weight tonnage. These two giant liners would be entitled under the provisions of the Lasker bill to basic subsidies equal to that received by 522 5,000-gross-ton cargo steamers, or 389 7,000-gross-ton cargo steamers, with an aggregate tonnage of 2,660,000 gross tons. If the subsidies of the said liners were doubled, as could be done, and the cargo vessels received the basic subsidy, the bounties received by the

two large passenger vessels would equal the subsidies received by 1,064 of the 5,000-ton or 760 of the 7,000-ton cargo steamers with an aggregate tonnage of 5,320,000 gross tons or about 7,750,000 dead-weight tons.

In other words, under the basic subsidies provided in the bill for the different classes of vessels these two large liners would be entitled to over half as much subsidy as the entire Government fleet of cargo vessels, and if the Shipping Board should exercise their discretion of doubling these subsidies to the two liners they would receive as much as all of the cargo vessels, figured upon the basic rate to which they are entitled.

The pending bill is thus framed in spite of the fact that it was conclusively shown at the hearings that American passenger vessels labor at a less disadvantage than do cargo vessels, according to the admission of the witnesses introduced by the Shipping Board and controverted by no man. Now, this is the way that this bill is drafted in the interest of the farmers!

#### PACIFIC MAIL SCANDAL.

Right on the question of those two liners I want to call your attention to something. In this connection I want to make this assertion, that if this bill becomes a law—I do not think it will—there will result the worst scandal in the history of the American Republic. Bad as subsidies are in principle, they have proven worse in practice; and with the enormous powers and opportunities which this bill confers upon the Shipping Board and which they are zealously seeking, and which they have steadfastly refused to yield in any particular, I repeat my statement. But you may say, "You are extravagant in your assertions." But, my friends, we have something in our history to which I wish to call your attention at this time. I referred to it on the last day of the last session. I read from two standard authorities, Meeker's History of Shipping Subsidies and Grosvenor M. Jones's Government Aid to Merchant Shipping. Both these gentlemen were then and are now United States officials. On pages 40 and 41 of Jones's Government Aid to Merchant Shipping appears the following:

In 1872 the Pacific Mail Steamship Co. proposed the establishment of another monthly mail steamship line to China and Japan for an additional subvention of \$500,000 per year. After much debate Congress adopted the proposal and a contract to that effect was entered into. This contract, however, was abrogated by act of March 3, 1875, after it was discovered that the law had been passed as a result of corruption and the company had failed to carry out its part of the agreement.

During this period, however, the policy of granting mail subventions received a deathblow. The disclosures as to the maintenance of a corrupt lobby to secure congressional approval of the second Pacific Mail contract left such an unfavorable impression upon the popular mind that no serious attempt was made to institute subvention payments for at least 10 years.

And Meeker's History of Shipping Subsidies, on pages 160 and 161, discusses the same subject as follows:

In 1872 the Pacific Mail Co. offered to run another monthly service to China and Japan for an additional \$500,000 a year. With considerable difficulty a bill authorizing such a contract was passed by Congress June 1, 1872. In 1874 it was discovered that bribery had been employed to secure the passage of the measure. It was proven that the company had spent about \$1,000,000 to push the bill through Congress. The new contract was abrogated by the Government because of the improper methods used in gaining the necessary legislation, and the subsequent failure of the company to fulfill the conditions of the said contract. (House Doc. No. 598, 42d Cong., 2d sess.; miscel. docs. Nos. 74 and 255; House Doc. No. 268, 43d Cong., 1st sess.)

The official documents here cited embody the proof taken upon the congressional investigation proving these facts. Here one company spent a million dollars in order to corruptly procure the passage of a bill which gave them a contract for carrying the mails, for actual service, which paid them only \$500,000 a year for 10 years. Yet this bill for the benefit of all of them involves absolute bounties to the extent of at least \$75,000,000 a year for an indefinite period—at least 10 or 15 years.

#### SYNDICATE OF SHIPPING BOARD OFFICIALS.

But going back to what I started to discuss, I want to read from the November 22, 1922, issue of the New York Tribune a news item appearing on the shipping news page, as follows:

NEW SHIP SYNDICATE TO BUY UNITED STATES LINES GETS NEW BACKING—PERSONNEL NOW SAID TO INCLUDE HOMER FERGUSON, J. B. SMULL, W. J. LOVE, E. J. MCCORMACK, W. F. GIBBS.

The personnel of the syndicate which proposes to buy the United States lines from the Government as a going concern, and to form the largest Atlantic operating company, it was indicated yesterday, includes E. J. McCormack, of McCormack & Moore; W. F. Gibbs, naval architect; William J. Love and J. Barstow Smull, of the Shipping Board, and Homer Ferguson, of the Newport News Shipbuilding & Dry Dock Co.

Reports circulated a month ago, when the syndicate's plan was first broached, had it that either Mr. Ferguson, Mr. Gibbs, and Mr. Love, or else Mr. McCormack, who is one of the operating directors of the United States lines, and Mr. Gibbs were the promoters. The names of all five have been linked together in the latest reports, making a strong combination. Further strength of the syndicate was hinted by the report that the powerful Huntington estate interests were supporting Mr. Ferguson.

The syndicate's original plan, as submitted to Chairman Lasker of the Shipping Board, contemplated the taking over of the *Leviathan*, as



well as of the fleet of the United States lines, and the building of two palatial 1,000-foot liners for the Atlantic passenger trade. Approximately 200,000 tons of shipping would be represented in this deal. The new company was said to plan a nominal capitalization of \$5,000,000, with the expectation that further substantial assistance would be received from the Government through the Shipping Board.

Mr. HARDY of Texas. Will the gentleman yield right there?  
Mr. DAVIS of Tennessee. Yes.

Mr. HARDY of Texas. The United States Line is the one run by Rosbottom.

Mr. DAVIS of Tennessee. Yes. I was going to explain that.

Mr. HARDY of Texas. And that is the line we have made a success of, and now they want to buy it.

Mr. DAVIS of Tennessee. Yes; and the Shipping Board apparently wants to sell to them. The prospective purchasers are reputed to largely control the policies of the Shipping Board. Four of these five men mentioned are officers of the Shipping Board, and two of them are receiving \$35,000 a year each. They are only to put up \$5,000,000 for the purchase of this fleet, which is the only one being directly operated by the Government, and which, as Judge HARDY says, is being operated at a profit. In addition to these ships in operation they also procure the *Leviathan*, which is being reconditioned by the Shipping Board at an expense of \$8,200,000, and then they are to build by Government aid the two largest passenger steamers in the world, and according to this report all that they put up in order to get this valuable property is \$5,000,000 in cash.

Mr. EDMONDS. Will the gentleman give the date of that article that he just read?

Mr. DAVIS of Tennessee. November 22, 1922, page 22 of the New York Tribune.

Mr. EDMONDS. I simply wanted to know when this horrible conspiracy was being hatched.

Mr. DAVIS of Tennessee. This "horrible conspiracy" is reported in the New York Tribune, which is supporting this administration, and supporting this bill, and has so much interest in the passage of the bill that they are sending every morning to the offices of all Congressmen copies of their paper advocating the bill. [Applause.]

I want to say that it is a matter of common and persistent report in shipping circles and among newspaper men and has been published in the press, without giving names, that there is already on foot a large syndicate to buy the balance of these ships. You know that there was a good deal in the hearings on the subject about a syndicate, and the gentleman from Pennsylvania [Mr. EDMONDS] indicated that was in his mind in questions that he propounded to Winthrop L. Marvin.

Mr. EDMONDS. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. EDMONDS. The gentleman from Pennsylvania knows nothing about any of the syndicates and has no interest in them.

Mr. DAVIS of Tennessee. I assume that is true, and I did not say that he did.

Mr. EDMONDS. If my questions tended that way I want gentlemen interested to understand that I know nothing about it and that I had no idea of it. The gentleman from Tennessee has said that we could not sell a ship, and now says we are going to sell the whole of them.

Mr. DAVIS of Tennessee. Oh, you are going to sell them for a price that would be a mere bagatelle of what the Government could get if the Government would keep them until conditions improve and when there will be use for them on the seas and when there would be competition among buyers. If the gentleman from Pennsylvania questions what I said about his questions I will be glad to turn to the testimony. I would not do the gentleman an injustice for anything. Let the record speak for itself. I read from page 1087 of the hearings, as follows:

Mr. EDMONDS. A great many questions have been asked here with regard to the advertising of these ships. Wouldn't the natural result be that if Congress absolutely required that these ships be advertised and sold that they would be purchased probably by one syndicate? Wouldn't there be a greater danger of creating a monopoly by that system of selling ships than to hold them in order to build up these special lines that these people want continued to those ports?

Mr. MARVIN. I believe anything like a forced and sudden sale would increase the danger of a syndicate, although I don't conceive it within the bounds of reasonable possibility that any syndicate will be organized to take over these ships.

Mr. EDMONDS. Suppose the Shipping Board should assume from the action of this committee that we want them to sell these ships, and they go out and advertise them, one man might bid for the whole shooting match, possibly, the highest price of anybody. Then the danger of monopoly would be increased, of course?

Mr. MARVIN. Greatly.

In this connection I also call attention to the statement of H. H. Raymond, president of the American Steamship Owners' Association, as follows:

Mr. RAYMOND. I had the privilege of serving on a committee two or three years ago—an advisory committee—with five other experienced men, known over the United States as men of ability, one of whom has

passed away, and we recommended at that time the sale of those ships and a price for them. We conferred with every shipowner and others that were interested in the purchase of ships, and even with bankers; and at that time a syndicate could have been formed similar to what was done in Great Britain. When Great Britain turned over to this syndicate headed by Lord Inchcape—I do not know what his first name was—a syndicate could have been formed to have taken the Shipping Board fleet that was desirable out of the Government's hands and then disposed of it over the country. There was business then for them. To-day there is no business. But I would have the courage to believe that if it could be determined what ships would be sold and at a low price, that the aid that is here asked for, plus little additions that we may ask for, could be had, you could have something concrete to go before the banking communities of the Nation, and that this syndicate could be formed again, and they would carry those people that wanted to buy them. I believe that; I do not know that it could be done, but I believe it.

I also call attention to another probable result, as explained by Mr. Raymond, as follows:

Mr. BRIGGS. Do you think, if the Government turns over its fleet at once, as you said, that it would require more vessels to be tied up than are tied up now, or do you think it will mean any advantage in releasing some that are now tied up?

Mr. RAYMOND. I think it probably might mean tying more of them up.

As to whether the big shipowners or the financial interests would take advantage of the Government, in the event the ships were thrown on the market and sold under present depressed conditions, I call attention to the following general opinion expressed even by Chairman Lasker in his original statement at the hearings:

I think we ought to have the right to sell anywhere. I am not for a private owner holding up the Government, and I think the private owner will do it if he gets a chance.

Mr. BEEDY. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. BEEDY. I have listened with great interest to what the gentleman has had to say, and I would like to know whether it is his belief that if this bill is passed we are not to get out of the shipping business—whether there is to be an immediate sale and we are to get out of it entirely?

Mr. DAVIS of Tennessee. Under the provisions of this bill we will not get out of it, whether we do or do not sell the ships. The syndicate, if it buys them, will buy the cream and will leave the balance of the fleet in the Government's hands.

Mr. BEEDY. If we sell all the ships—

Mr. DAVIS of Tennessee. They will not buy all the ships. They will buy the cream.

Mr. BEEDY. I understood the gentleman to say that a syndicate was being formed to buy all the ships.

Mr. DAVIS of Tennessee. I did not mean it literally if I said it; they will buy all that they consider worth buying, because it is claimed by the Shipping Board that of these vessels some are first class and others varying from worthless to good. They would buy the ships at a fraction of their real value and hold them for the rise in price and sell at a large profit.

Now, I had intended to discuss the legislative portion of the seaman's act, the differential in wages, but it is impossible to discuss all of these subjects; and on that question I respectfully suggest to those who are sufficiently interested to go to the bottom of it to read what we detail in our minority report on that subject, and which shows that there is no differential operating against the American shipowners on the wage or subsistence question. I believe that will also be discussed by one of my colleagues to-morrow. I want, however, to say that, according to the report of the United States Commissioner of Navigation for 1921, there was infinitely more variation in the wages in the different ports of the United States for seamen from 1895 to 1921 than there was at any time during that period between the average wages in the United States and any foreign country. You will find that in the hearings on pages 1908 to 1939.

I must leave all other subjects in order to do what I said I wanted to do, give my idea of what the trouble is, in so far as there is any trouble, and say what I think ought to be done in regard to our merchant marine. I shall not be able to discuss it as fully as I would like, but I will discuss it as fully as time will permit.

#### AMERICA'S FORMER MARITIME PRESTIGE.

In the first place, I call your attention to the historical fact that up to the time of the Civil War the United States was a great maritime nation, and when that war broke out the United States had a merchant marine nearly 600,000 tons larger than that of Great Britain, the next largest. This great American merchant marine had been established and maintained without subsidies. Along in the fifties there were some contracts for carrying the mail involving comparatively small payments to a few passenger lines, but I think it is entirely proper, just as we have been doing all along, to pay for the carriage of our ocean mails. It is just as legitimate to have a good ocean mail service as it is to have a good land mail service. But



that is not a subsidy. It is sometimes called a subvention. Prior to the Civil War America excelled them all in the construction and operation of wooden vessels. They sailed all the seven seas, they carried a large portion of our commerce and of the commerce between other nations. The shipping industry was one of the few important industries of our young Nation, and it offered a profitable field for the employment of American capital and labor. None of the nations could successfully compete with us, although the American wages were one-third more than the foreign wages. But that was a small item then, just like it has always been and just as all unbiased experts declare.

However, there was a subsequent decline in our prestige on the seas, and I wish to discuss the reasons therefor.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BANKHEAD. Mr. Chairman, on the first extension of time granted to the gentleman from Tennessee the Chair stated that it could be done unless there was objection to it.

The CHAIRMAN. That is correct.

Mr. BANKHEAD. I understand that under the rule we adopted the control of the time is divided up between the majority and the minority.

The CHAIRMAN. It has always been held, so far as the present occupant of the chair is aware, that in accordance with the rules of the House no extension beyond an hour can be made, except by unanimous consent, which, so far as the present occupant of the chair now recalls, has always been granted.

Mr. BANKHEAD. Mr. Chairman, I am very anxious to extend further time to the gentleman from Tennessee [Mr. DAVIS], because he has given great study to this question. I wish to extend to him the privilege of concluding his remarks, and I am willing to yield him that time. Under the ruling of the Chair could I not do that, or does it require unanimous consent?

The CHAIRMAN. Since the gentleman has raised the question, the Chair will refer to the rule very briefly and to the decisions under the rule. In Rule XIV, second paragraph, it is provided:

and no Member shall occupy more than one hour in debate on any question in the House or in committee, except as further provided in this rule.

The further provision in the rule is to be found in paragraph 3, as follows:

The Member reporting the measure under consideration from a committee may open and close, where general debate has been had thereon; and if it shall extend beyond one day he shall be entitled to one hour to close, notwithstanding he may have used an hour in opening.

This paragraph of the rule has no application here.

Mr. GARRETT of Tennessee. Mr. Chairman, that, of course, is taken from the general rules of the House, but we are now operating under a special rule.

The CHAIRMAN. The rulings in the precedents have been made largely under special rules and unanimous-consent agreements. If the gentleman wishes to have the decisions cited, the Chair will be very glad to do so.

By permission of the committee the Chair submits a number of precedents in line with the ruling just indicated.

(Hinds' Precedents, section 5004.)

On May 13, 1896, the House was considering the contested-election case of Rincher against Downing, and by unanimous consent it had been agreed that the time should be divided between the two sides and controlled by gentlemen representing them. Mr. Edward D. Cooke, of Illinois, who controlled the time on the side of the majority of the committee, having yielded to Mr. James A. Connolly, of Illinois, such time as he might desire, the latter in his remarks exceeded one hour.

Mr. William H. Moody, of Massachusetts, made the point of order that the other side was entitled to the floor.

The Speaker pro tempore [James S. Sherman, of New York] said:

The Chair holds that the gentleman's time has expired. \* \* \* The present occupant of the chair fails to find from the Record that there was an absolute agreement as to unlimited time. There was simply an agreement not to fix any time, but to allow the time occupied to be controlled on the one side by the gentleman from Illinois [Mr. Cooke] and on the other side by the gentleman from Massachusetts [Mr. Moody]. Under the circumstances the time occupied by any particular Member would be governed by the rules of the House, and the gentleman from Illinois could have been granted but one hour. He has exceeded that time; therefore his time has expired, and he can not proceed now unless by unanimous consent.

Several parliamentary inquiries having been made as to the right of Mr. Cooke to yield unlimited time to Mr. Connolly, the Speaker [Thomas B. Reed], who had resumed the chair, said:

Whenever the time is under the control of two gentlemen on opposite sides of the question it is always understood that it is under such control subject to the rules of the House, and the rule of the House limits any Member to 60 minutes unless by unanimous consent it is changed. (Hinds' Precedents, sec. 5005.)

On January 5, 1897, a bill to amend the postal laws relating to second-class matter was under consideration in Committee of the Whole House on the state of the Union, and the time of debate had, by unanimous consent, been placed under the control of Mr. Eugene F. Loud, of California, on the one side, and Mr. Lemuel E. Quigg, of New York, on the other.

Mr. Quigg having taken the floor and having at the end of an hour been informed that one hour had expired, was proceeding when the Chairman informed him that he was proceeding by unanimous consent.

Mr. Quigg thereupon made the point that he was proceeding in his own time. The Chairman [Mr. James S. Sherman] said:

But the gentleman could not, without the unanimous consent of the committee, which had been given, occupy more than one hour.

On January 7, 1897, the House was in Committee of the Whole House on the state of the Union considering the Pacific Railroad funding bill, and it had been arranged, by unanimous consent, that the time should be controlled by Mr. H. Henry Powers, of Vermont, on the one side, and by Mr. Joel D. Hubbard, of Missouri, on the other.

Mr. Powers, having taken the floor, was informed at the end of one hour that his time had expired. Mr. Powers made the point that he had entire control of the time on one side.

The Chairman [John A. T. Hull] said:

That is correct; but under the rules of the House, even where unlimited time is within the control of a Member, he is not allowed, except by unanimous consent, to occupy the floor for more than one hour.

Under the rules of the House and the unbroken precedents, so far as the present occupant of the chair has been able to ascertain, the Chair holds that the gentleman can proceed only by the unanimous consent of the committee.

Mr. BANKHEAD. Mr. Chairman, under the ruling of the Chair the gentleman from Tennessee has consumed an hour and a half; and if I desire to extend him further time, do I understand that I must ask unanimous consent?

The CHAIRMAN. If no objection be made, it is tantamount to unanimous consent.

Mr. BANKHEAD. Then I yield to the gentleman from Tennessee such further time as he may desire.

The CHAIRMAN. Without objection, the time of the gentleman from Tennessee may be extended for such time as he may desire. [After a pause.] The Chair hears no objection. Of course, the Chair would interpret this extension so as to keep within the provisions of the special rule under which we are proceeding.

Mr. DAVIS of Tennessee. I wish to thank my colleague [Mr. BANKHEAD] for his extreme courtesy. Of course, Mr. Chairman, we all understand there was a decline from the former proud eminence occupied by the United States as a maritime nation.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. EDMONDS. Of course, the gentleman knows that while these ships were growing larger and stronger and doing good work at sea, they were, of course, receiving a 10 per cent preferential duty.

Mr. DAVIS of Tennessee. No; I do not know any such thing, except this, that up until 1815 there was a 10 per cent preferential duty; but the United States Government became so sick of that policy and its baneful effects that the American Congress, by a unanimous vote both in the Senate and the House, abandoned that position and adopted a policy of reciprocity, under which that preferential duty was done away with, and it was after that was done away with that we reached what has been termed the "golden era in American shipping."

Mr. EDMONDS. And the merchant marine afterwards declined.

#### CAUSES OF DECLINE.

Mr. DAVIS of Tennessee. I referred to the time up until the Civil War and had started to discuss the decline. The authorities on this subject are in substantial accord upon the causes of the decline, and they are stated with substantial accuracy in one of the reports made on the "History of shipping discriminations and on various forms of Government aid to shipping" compiled by the present Shipping Board.

A. In the first place there was the advent of steam, and while American genius invented the steamboat, yet Americans were so wedded to their fast wooden clippers, in the construction and operation of which they had so long excelled the world, that they clung to them too long with the result that England outstripped us in the construction and operation of steamships and also of iron ships which gradually replaced the wooden sailers.



B. Another cause of the decline was our tonnage destroyed and transferred to foreign registry during the Civil War.

During that time a large amount of the American tonnage was destroyed by one side or the other in that unfortunate fratricidal contest, and, in addition, about 1,000,000 tons that were under the American flag were transferred to foreign registry, chiefly the British. Because of those two things the American merchant marine was greatly depleted and the British merchant marine forged ahead. Then instead of trying to remedy the situation the American Congress, perhaps in a spirit of pique, in 1866 passed a bill preventing the reregistry under the American flag of that enormous tonnage which had transferred to foreign flags in order to prevent capture or destruction. Thus occurred what was one of the severest blows that has ever happened to the American merchant marine, but other things also have happened.

C. Beginning about that period, and this is enumerated in said report of the Shipping Board, we find a third reason. The board report correctly states that another very important cause of the decline of our shipping lay in the fact that both labor and capital had been attracted to other and more lucrative fields of employment; that the opening of the West took the interests of the United States away from navigation to the internal development of the country, and that railways, manufacturing, and industries generally commanded higher rates of return without the risks which were considered incidental to shipping. That situation has since continued to a very large extent.

D. There is another reason assigned in this Shipping Board report. It correctly states that "a most effective cause for the decline was the protective tariff," first mentioning the rates on shipbuilding materials, which militated against American ship construction. They then refer to the further fact that the "tariff has restricted the number and amount of cargoes that American ships could bring from foreign ports," and state, "that condition will always be present in the face of a high tariff." It was stated by the President in one of his messages, and it has been stated by others in the hearings, including Mr. Lasker, that before you can have a successful and a profitable merchant marine you must have both incoming and outgoing cargoes. Nobody disputes this truism. The situation is such that Mr. Lasker himself described it at the hearings by saying that the tonnage of all exports to Europe is three and a half times as much as our imports. The result is that five-sevenths of the ship tonnage that goes over loaded must come back in ballast or empty.

Now, I am not discussing the merits of the high protective tariff. I am discussing what is recognized by all the authorities on the subject as one of the chief causes that has militated against an American merchant marine because it has greatly reduced the importation of foreign products. Mr. Lasker himself very properly recognized the situation at the hearings when he said:

It is not a good thing for the Shipping Board, it is not a good thing for the ship operator, and it is not building up permanently one of the main advantages, for the lack of which we suffer with an American merchant marine, that while we have full outgoing cargoes we have not full incoming cargoes, or anything like it. This is controversial. Is it due to a high protective tariff? I do not propose to get into that, because the Shipping Board has to take the thing as it is.

Then he says it is a settled question, one party believing in a high protective tariff and the other in a tariff for revenue only. Now, this situation has been very greatly augmented by the passage of the recent tariff bill. In other words, we have in Congress the very inconsistent policy of having passed one law to prevent foreign commerce and now passing this bill for the pretended purpose of promoting foreign commerce.

Was there ever anything so incongruous as the administration program of blocking foreign trade by the imposition of prohibitory tariff duties and then attempting to stimulate foreign trade by the payment of enormous ship subsidies? The program is to promote foreign trade with one hand and strangle it with the other, both efforts being in behalf of special interests and very expensive to the masses of the people who pay the taxes. They seem to be laboring under the delusion that we can stimulate our export trade and at the same time repress our import trade. It can not be done. All the authorities agree that we must have incoming as well as outgoing cargoes in order to maintain a successful merchant marine.

E. There is another reason given by this Shipping Board report and by all the authorities for the decline, and for the fact that our American merchant marine engaged in the foreign trade did not keep pace with our tremendous growth in foreign commerce after the Civil War. The American registry law down to 1914, prohibiting the registry of foreign-built ships,

necessarily operated to bring about a decline in shipping under the American flag. When we excelled the world in the construction of wooden ships it cut no figure. Because of the very fact that we could build wooden ships better and cheaper than anybody else, Great Britain abandoned such a policy in 1849 and went to a "free ship policy," permitting the registration under the British flag of foreign-constructed vessels in order that her shipowners might get the ships as cheaply as possible. England was more interested in putting a British merchant marine on the seas than she was in favoring the British shipbuilders. However, her "free ship policy" resulted in building up the greatest shipbuilding yards in the world, because under the spur of foreign competition they build soundly by the application of economical, efficient businesslike methods. America can do the same. In fact, we are the only nation on earth that has not long since come to a "free ship policy." There is a natural conflict between the shipbuilder and the shipowner. The shipbuilder strives to get as much as he can for his ship, and the shipowner strives to get his ship as cheaply as he can. And I want to ask you this: When, until recently at least, it cost 25 per cent more, by reason of the tariff and other things, to construct a ship in the United States than it did in Great Britain, could you expect Americans, who wanted to go into the business, to pay 25 per cent more to get a ship here than they could get the same ship for in England? Of course not. If they went to England and bought it, they could not then register it under the American flag. Consequently, Americans either did not buy, or they bought their ships abroad and then operated them under foreign flags, as they were compelled to do. Now, that policy prevented the registry of innumerable ships that would have otherwise been purchased abroad and registered under our flag. The said Shipping Board report, in accord with all unbiased authorities, correctly states that—

The American registry law, prohibiting free ships, necessarily operated to bring about a decline of shipping under the American flag. \* \* \* The free ship policy has added greatly to the British merchant marine.

However, our law against the registry of foreign-built ships did not even accomplish what it was intended to do, aid American shipbuilders, because for many years before the recent World War there was no construction in American shipyards of ships for the foreign trade. It did not help the shipbuilders, and it did not provide employment for American labor, but it did help to destroy the American merchant marine. Now, we abandoned that policy in 1914, to the extent that foreign-built ships owned by Americans were admitted to American registry for use exclusively in the foreign trade, and I just want to read from the 1916 annual report of the Department of Commerce one citation showing the immediate effect:

The American merchant marine, which is another great weapon needed for our foreign trade, has never before increased so fast as during the past two years. In that time we have doubled our shipping in the foreign trade—from 1,076,152 gross tons to 2,191,715 gross tons. No other nation in so short a time so increased the shipping in foreign trade.

Now, listen—

Under the ship registry act admitting foreign-built ships to American registry for foreign trade 182 vessels of 616,033 gross tons have been added to our merchant marine.

The pending bill, with a minor exception, provides against the future registry of foreign-built ships by withholding the subsidies and aids from them.

I have briefly discussed the chief reasons why our merchant marine engaged in the foreign trade has not kept pace with our growth in population and with the enormous growth of our foreign commerce.

#### GROWTH OF AMERICAN MERCHANT MARINE.

However, our merchant marine is not in near as bad shape as they would have you believe. While, for reasons which I have explained and other reasons which I shall later explain, there has been a decrease in the relative amount of our foreign commerce carried in American ships, yet there has been a large increase in our total merchant marine, including our ships engaged in the foreign trade, in the coastwise trade, and in the fisheries, as shown by the figures taken from the report of the Commissioner of Navigation for the year ended June 30, 1921, pages 160 to 163, inclusive, giving the total documented tonnage of the United States merchant marine for the years stated:

	Gross tons.
1789	201,562
1800	972,492
1820	1,280,167
1840	2,180,764
1850	3,535,454
1860	5,353,868



	Gross tons.
1870	4,246,507
1880	4,068,034
1890	4,424,497
1900	5,164,839
1910	7,508,082
1915	8,389,429
1920	16,324,024
1921	18,282,136

Mr. EDMONDS. Will the gentleman yield?

Mr. DAVIS of Tennessee. Our merchant marine did not keep pace with our enormous growth in commerce. I yield for a question.

Mr. EDMONDS. I would state, page 41, paragraph 5, we do allow compensation to be paid to foreign-built vessels registered under the laws of the United States, provided, of course, they are agreed to as being strictly needed by five members of the board.

Mr. DAVIS of Tennessee. Oh, yes; there is an exception with a purpose, in my opinion, only to permit the registry of certain ships of a certain line, the International Mercantile Marine Corporation, whose obligation to remain under the British flag expires in a year or so.

Mr. EDMONDS. Is it desirable to have those ships under the American flag?

Mr. DAVIS of Tennessee. Yes; that is all right. But I was telling the reason for the exception; however, I would not play any favorites or permit the Shipping Board to do so. I would permit all Americans to purchase their ships where they can get them cheapest and then register under the American flag.

Mr. EDMONDS. I want to say to the gentleman that of course we are trying to protect American labor in the shipyards, because 50 per cent of the cost of the ships is labor.

Mr. DAVIS of Tennessee. But you are not protecting American labor, as it has not resulted in any increased production, just as I explained. Under our policy there has been no shipbuilding in American yards for the foreign trade, and consequently no employment of American labor.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. DAVIS of Tennessee. Certainly.

Mr. SNELL. I did not quite understand what you mean by the statement that our merchant marine was growing. What time and what period has that reference to?

Mr. DAVIS of Tennessee. Well, all along, so far as the tonnage of our entire merchant marine is concerned, but, as I was conceding, there had been a decline in the percentage of our foreign commerce that we carried.

Mr. SNELL. I understood the lowest ebb of our merchant marine that was employed in foreign service was in the period just before the World War, and that we actually had just six ships engaged in foreign trade at that time. If that is so, I can understand your other statement that we were growing. I think I am correctly informed on that.

Mr. DAVIS of Tennessee. In the first place, that is not correct. The gentleman's assumption is absolutely incorrect.

Mr. SNELL. That is not an assumption.

Mr. DAVIS of Tennessee. The gentleman's information is not correct as to the number of ships engaged in the foreign trade. However, we did reach the lowest ebb along in 1909 and 1910 in the percentage of our foreign commerce that we carried. However, a larger tonnage of American-flag vessels entered and cleared in the foreign trade of the United States in 1909 than during any previous year in the history of our Republic, and a still larger tonnage in 1910 and for each year following. Such tonnage of American vessels entered and cleared in our foreign trade in 1909 amounted to 17,263,189 for the fiscal year ending July 1, 1909, and this was increased to 27,470,703 for the fiscal year ending July 1, 1914, the increase being still greater after the World War commenced. (See page 178 of the 1920 report of the Commissioner of Navigation.) There was a corresponding increase in the American tonnage registered for the foreign trade and in the value of our commerce carried. (See pages 177 and 222 of the same report.)

UNITED STATES MERCHANT MARINE SECOND LARGEST IN WORLD.

Prior to the outbreak of the World War the United States had the largest merchant marine of any nation on earth except Great Britain, and the United States at that time had the greatest merchant marine engaged in the foreign trade except Great Britain, and Germany exceeded us in that respect to a very slight amount. And at the present time, when they talk about the deplorable situation we are in, we have nearly as large a merchant marine as Great Britain, and our merchant marine is equal to the combined merchant marines of the next five largest in the world.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. LONDON. Is it not true that the greatest period of industrial and commercial prosperity in the United States was the period when its merchant fleet disappeared?

Mr. DAVIS of Tennessee. That is true, if you mean when the percentage of our foreign commerce carried in American-flag ships was at its lowest.

Mr. LONDON. In other words, American capital found it more convenient to employ the carriers of other nations?

Mr. DAVIS of Tennessee. That is the fact exactly, just as I explained. That is one of the reasons that both labor and capital found it more profitable to engage in internal development.

Mr. HARDY of Texas. Mr. Chairman, at that point will the gentleman permit me also to ask a question?

Mr. DAVIS of Tennessee. Yes.

Mr. HARDY of Texas. Was it not also a fact that when American capital sought to enter the overseas trade, as common-sense business men they bought British vessels, because they could be bought at half the price?

Mr. DAVIS of Tennessee. Yes; they could buy them cheaper and they had to register under the British flag.

Mr. HARDY of Texas. Yes; and they sailed them under the British flag.

Mr. DAVIS of Tennessee. Yes. Under our law they could not buy a British ship and sail it under our flag.

Mr. J. M. NELSON. Was it not a fact that American capital was employed in shipping but engaged under a foreign flag?

Mr. DAVIS of Tennessee. Yes; a large amount.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. CHINDBLOM. I want to understand the gentleman's statement. Does the gentleman say that in 1914 our foreign tonnage was exceeded only by that of Great Britain and Germany?

Mr. DAVIS of Tennessee. Yes; according to the Commissioner of Navigation.

CONDITION OF AMERICAN MERCHANT MARINE BETTER THAN REPRESENTED.

Now, what is the present situation? They talk about the "deplorable situation." I have here a bulletin of the American Bureau of Shipping, published by the American Bureau of Shipping, and on the first inside page there appears this:

#### THE AMERICAN MERCHANT MARINE.

The growth of the American merchant marine since the close of the war is one of the most amazing developments of modern international commerce. It is also an achievement in which every American citizen can take pride. Never before in the history of the world has a country succeeded in creating such a great merchant marine in so short a time.

The last decades of the nineteenth century witnessed a discouraging decay of American shipping. The American flag, which once flew at the mastsheads of thousands of splendid American vessels, almost disappeared from the ocean. Americans who wished to cross to other lands were forced to sail on foreign vessels; American cargoes were stowed in the holds of alien ships. Then the World War brought the country to a realization of how serious this situation had become.

And to-day this state of affairs has been reversed. To-day American vessels are sailing the seven seas, helping to spread American business all over the world. Five great lines of Government-owned passenger ships are in operation—the United States Lines between New York and Europe, the Munson Steamship Lines between New York and the east coast of South America, the Pacific Mail Steamship Co. between San Francisco, Honolulu, and the Orient, the Admiral-Oriental Line between Seattle and the Orient, and the Los Angeles Steamship Co. between Los Angeles and Honolulu. American merchant vessels sail direct to the most remote parts on the globe, from Scandinavia to Cape Town. On every run, competition is keen; ships of all nations are bidding eagerly for the trade. But in spite of every disadvantage, American ships, officered and manned by American seamen, are winning out.—(Statement issued by United States Shipping Board.)

And who is this from? It is from a statement issued by the present United States Shipping Board and published in this official publication. And so it is, and without subsidy.

I want to state furthermore that for the fiscal year ending June 30, 1921, under the worst shipping depression in all history, the American ships carried 51.6 per cent of our foreign commerce, including both imports and exports, and they did just as well for the fiscal year ending last June. In order to let you know what that means, it is conceded by experts on the subject that it is practically impossible for any nation to carry little, if any, more than 50 per cent of the commerce between it and foreign nations, because other foreign nations with their merchant marines have the advantage in shipping from their countries, and no one nation can get it all; no one nation can get little, if any, more than 50 per cent of it.

Is not that natural? It is not only natural but it is a fact. Now, as evidence of that, Great Britain, which carries 53 per cent of all the world's commerce, including that which she



carries between herself and her colonies, including that which she carries between her colonies, and including that which she carries between herself, her colonies, and foreign countries, and including that which she carries between foreign countries, yet, carrying all that enormous amount of commerce, with her great fleet, with her efficiently managed fleet, Great Britain succeeds in carrying only 53 per cent of the commerce between herself and foreign nations.

Mr. McDUFFIE. Will the gentleman yield for a short question?

Mr. DAVIS of Tennessee. Yes.

Mr. McDUFFIE. Are most of the lines that are now established operating at a profit?

Mr. DAVIS of Tennessee. I think that the private lines are, and in that connection I want to say that eight private ship operators, most of whom are also operating Shipping Board vessels, appeared as witnesses in behalf of this bill, and every one of them admitted that they were either operating at a profit or without a loss. We asked the Shipping Board to file statements of the profits and losses of the different companies that are operating Shipping Board vessels and they refused to do it. They refused to disclose that information to Congress, just like they refused to disclose a lot of other valuable information that we asked for.

Mr. McDUFFIE. What was the objection to letting you have that information?

Mr. DAVIS of Tennessee. They gave various reasons and sometimes gave none. One of the reasons given was that it was not in the interest of public policy.

When members of the committee were endeavoring to get certain facts from the Shipping Board, Meyer Lissner, a member of the Shipping Board, who represented the Shipping Board at the hearings practically all of the time, said:

If we attempted to put in the absolute detail on all these things, these hearings would go on until the end of time. We have to use good judgment and good common sense about a good many of these things, and this is one of them. (Hearings, p. 1532.)

And yet the Shipping Board introduced the most minute details in an effort to prove whatever they wanted shown.

Mr. BLANTON. Will the gentleman yield right there?

Mr. DAVIS of Tennessee. Yes.

Mr. BLANTON. And just like they refuse to have their accounts audited, by having such provisions placed in this bill as prevent a proper auditing.

Mr. DAVIS of Tennessee. Yes; and I suppose for the same reason that, although repeatedly requested to furnish itemized statements of the disbursements of the \$1,715,000 advertising fund at their disposal this year, they have never furnished same, although they promised to do that.

Mr. BEEDY. The Government of England owns no fleet, does she?

Mr. DAVIS of Tennessee. No.

Mr. BEEDY. The American Government does own a fleet?

Mr. DAVIS of Tennessee. Yes.

Mr. BEEDY. In your minority report, on page 6, you state:

We readily concede the desirability and importance of having an adequate merchant marine. We are opposed to permanent Government ownership or operation of our merchant ships. We favor the sale of them to private owners as soon as practicable.

Mr. DAVIS of Tennessee. Yes; that is right. The full statement of the minority report in this particular is as follows:

We are opposed to permanent Government ownership or operation of our merchant ships; we favor the sale of them to private owners as soon as practicable, but at such time and in such manner as will protect the public interest and insure the establishment and maintenance of a real American merchant marine for the interest of the whole American people, and so as to prevent our ships from falling into the hands of a large syndicate, or our merchant marine being controlled by a few large companies which would drive out of business the smaller companies and numerous valuable trade routes.

We readily concede the desirability and importance of having an adequate American merchant marine, but we insist that such can be had without imposing upon the American people the tremendous burdens carried in the pending bill. This bill is based upon a false diagnosis of the situation; it treats the symptoms and does not deal with the basic difficulties, which can be and should be remedied in a businesslike and statesmanlike manner. It attempts to overcome artificial difficulties by superficial stimulants instead of removing the causes. Subsidies have never built up or maintained a merchant marine, as is conclusively shown in the Shipping Board report before referred to and by all of the unbiased authorities who have discussed the subject.

Even the committee report on this bill concedes that—  
"A permanent and healthy merchant marine can never be established merely by paying subsidies."

If those engaged in the shipping business would devote as much time to efforts to establish and manage their enterprises along efficient and economical lines as they do in proclaiming that they can not succeed, in an effort to obtain Government aid, they would succeed. Those who adopt the method suggested do succeed.

Mr. BEEDY. You further say:

We will offer a constructive solution of the problem with which we now stand confronted.

What does the Democratic Party offer to this do-nothing Congress for a constructive policy to get us out of the situation in which we now find ourselves unless it be to drift on indefinitely at a loss of \$50,000,000 a year? There is no opportunity to sell ships to-day at a fair price, is there?

The CHAIRMAN. The gentleman has consumed 30 minutes more.

Mr. DAVIS of Tennessee. Thank you. I want to consume a little more time. I was coming to that, but I desired to analyze the situation before presenting an alternative program. And right in that connection I was going to compare the situation here and in Great Britain, because the comparisons all the way along by the Shipping Board have been as between the United States and Great Britain. They want to equal or excel Great Britain, but they are attempting to do so by adopting some of the policies which England long ago discarded as failures, and by utterly ignoring the policies and methods by which the British have built up and maintained their great merchant marine. If we adopt her policy we will succeed in maintaining as large a foreign-trade merchant marine as is practicable to be maintained in this country. But it is not practicable for us to own or maintain as large a merchant marine as Great Britain does any more than it is practicable for Great Britain to have as much railroad mileage as the United States has. Why? Simply because most of Great Britain's commerce is on the sea, while 85 per cent of our commerce is within the confines of our own borders.

Edward C. Plummer, one of the commissioners of the United States Shipping Board, who is going over the country making speeches in behalf of this bill instead of attending to his duties, made such a speech in Boston yesterday. He is quoted in the press as having said, in part:

We seek no monopoly in trade. We recognize that from the very nature of her Empire Great Britain may well aspire to have a merchant tonnage three times the size of that which may carry our flag in foreign trade; but every American can and should stand squarely on the proposition enunciated by Fisher Ames, of Massachusetts, that we must always have a merchant fleet capable of handling 60 per cent of the cargoes which our people furnish to and take from the other nations of the world.

If one-third as large a merchant marine as Great Britain's would carry 60 per cent of our foreign commerce, is it not absurd for us to undertake to establish and maintain in foreign trade as large a merchant marine as Great Britain?

As a matter of fact, our entire merchant marine is now three-fourths as large as the entire merchant marine of Great Britain.

Admiral Benson, former chairman of the Shipping Board and now a member thereof, said in a speech before the South Atlantic Ports Association, November 15, 1920:

We should always bear in mind that other nations are more dependent upon a successful merchant marine than the United States.

REASONS FOR ENGLAND'S LARGE AND SUCCESSFUL MERCHANT MARINE.

Great Britain is first in shipping because she is first in foreign commerce. The reasons why she is first in foreign commerce may be briefly summarized as follows:

1. She imports practically all of her food and raw materials and exports her surplus manufactured products.
2. Her free-trade policy.
3. The enormous trade between her and her numerous wealthy colonies.

4. The British have large investments in their various colonies and in foreign countries and have well-established, world-wide mercantile, banking, and shipping connections.

Additional reasons for the success of her merchant marine may be summarized as follows:

5. England's resources and industries being fully developed, capital, looking for an outlet, naturally turned to the sea.
6. Because of national pride and because of the fact that investments in maritime enterprises are widely scattered among the English people—as is the case in all European countries—they loyally support their own merchant marine.
7. Great Britain's imports and exports are well balanced, so that her ships carry incoming and outgoing cargoes.
8. Great Britain's merchant marine enterprises are efficiently and economically managed on businesslike principles. By reason of such methods she is able to successfully compete and outdistance other national merchant marines which receive subsidies and pay much smaller wages.
9. English coaling stations are established throughout the world where needed for the British merchant marine and Navy.

In other words, the causes for Great Britain's maritime success are natural and not artificial. Her merchant marine is great, not because it has been aided by legislation but because it has been unhampered by legislation.

While the proponents of this bill continually refer to England as our real maritime rival and set up England's merchant



marine as a criterion, the goal which we should attain, yet they steadfastly ignore the reasons for the British merchant marine's success and refuse to emulate the methods by which it has succeeded. They propose to follow policies which England long ago tried and discarded as useless and worthless. They propose to adopt England's old discredited subsidy experiments, which she abandoned forever in 1694—228 years ago. They propose to cling to the discredited policy of refusing to permit the registry of foreign-built ships, which policy England discarded 72 years ago.

If we are wise enough to profit by England's experience, with a view of maintaining a merchant marine as successful as England's, we should not adopt those false theories which England has tried and found wanting and long ago discarded, but should adopt the policies which England has accepted and retained and which have resulted in building up and maintaining her great merchant marine.

Having by unnatural restraints and artificial policies hampered and diminished our commercial eminence on the seas, it is now proposed to maintain an American merchant marine—not by removing the causes of the difficulties but by attempting to counteract them by the adoption of still further artificial means. It is proposed to combat the injurious effects of one unnatural artificial system by the adoption of another. Could anything be more economically unwise, impracticable, and futile?

Mr. BEEDY. Will the gentleman permit me? Great Britain owns no fleet. Does the gentleman advise a further drifting policy with Government ownership at a loss of \$50,000,000 a year indefinitely until world conditions enable us to make some attempt to get out of the business?

Mr. DAVIS of Tennessee. Let me answer that.

Mr. BEEDY. Yes or no?

Mr. DAVIS of Tennessee. I have already shown that the passage of this bill would not stop said expense or result in the sale of our ships at any fair price, or get the Government out of the business. I have already said that we are opposed to permanent Government ownership; but I do say, as I have tried to explain, and proven by the witnesses in favor of this bill, that now is no time to throw this fleet on the market, because it can not be put to sea; it can not be sold at anything like what it can be sold for later; and having incurred the expense that we have in this matter I say that these trade routes, which the Shipping Board say cover every needed, essential route between this country and other nations, should be continued until world conditions improve, and then that we should sell them as going concerns at a time when they can be bought, paid for, and maintained.

#### WOULD ABOLISH SHIPPING BOARD.

And I want to say in this connection that in the meantime we should immediately abolish the Shipping Board [applause] because they have not properly functioned. They have not functioned and are not functioning in the interest of the people. They are controlled by private shipping interests. They have not got the interests of a healthy merchant marine at heart. They are not going to solve this question.

I would abolish absolutely the Shipping Board and Emergency Fleet Corporation, and I would appoint a joint bipartisan congressional committee to investigate and cull out thousands of these Shipping Board employees who are not needed [applause], and I would reduce that force down to what is actually needed, and thereby get rid of it once—not in 30 months, as Mr. Lasker indicated, or in several years, but at once—of nearly all of that \$50,000,000 expense. [Applause.]

#### WOULD CANCEL MO 4 CONTRACTS.

In the meantime, I would also do away with the managing-agent contracts, known as the "MO 4 contracts," under which nearly all of our Shipping Board vessels in operation are being operated, and under which the managing agents are paid a commission of 5 per cent of the gross freight receipts on outgoing cargo and 2½ per cent on incoming cargo (hearings, pp. 1076-1078); they are also paid husbanding fees, which I shall later explain.

Chairman Lasker testified at hearings before a subcommittee of the House Appropriations Committee, July 7, 1921, and described this MO 4 contract as follows:

The contract is the most shameful piece of chicanery, inefficiency, and of looting of the Public Treasury that the human mind can devise.

Later Chairman Lasker gave out a statement which was carried in the Associated Press, August 19, 1921, the article stating in part:

Decision to substitute a "bare-boat" charter for the system under which practically all Shipping Board vessels are now operated was announced last night by Chairman Lasker after a conference with President Harding. Instead of the boats being turned over to oper-

ators on a 5 per cent commission basis, it is the board's intention to adopt a uniform charter, under which the vessels will be leased on a tonnage basis, the lessee assuming the same risks of profit or loss as he would under the routine commercial charter.

However, Chairman Lasker has not changed any of the existing MO 4 contracts. While he laid up a large number of ships, yet those which were permitted to continue in operation, were permitted to continue under the MO 4 contracts, which Lasker described as above stated; and he was doubtless correct in his characterization. They have changed no MO 4 contracts to bare-boat charter contracts, although this great advertiser announced to the world more than a year ago that he was going to make such change.

He has not only not made such change but he called the managing agents of Shipping Board vessels together in Washington, June 21, 1922, and voluntarily adopted and announced a policy of paying such managing agents additional compensation in the shape of husbanding fees, under which since that time operators handling 5 vessels or less receive \$400 per month per ship in addition to the regular commission previously paid, and operators handling up to 10 vessels receive \$400 per month per ship for the first 5 ships and \$250 per month for each additional ship. It was announced by the Shipping Board at the time that this allowance of husbanding fees would add \$1,200,000 annually to the cost of operations, but it was estimated that more than this amount would be saved by new arrangements for subsistence—the allowance for subsistence being reduced from 80 cents to 65 cents per day per man at that time—stevedoring, and general supplies.

Why should not the taxpayers have been given the benefit of such savings? Why were these additional voluntary bounties given to the managing agents, and by what authority? Was it done for the purpose of preventing a showing of profits, to the end that they might make out a stronger case for this ship subsidy bill?

As previously stated, I recommend an immediate abandonment of all of those MO 4 contracts. I would lease the ships on bare-boat charter contracts wherever possible, giving preference to those now operating the ships. Where the present managing agents should be unwilling to change to bare-boat charter contracts, I would, wherever possible, lease the ships on the respective lines to responsible persons "who have the support, financial and otherwise, of the domestic communities primarily interested in such lines," as provided in the merchant marine act of 1920, and who would agree to maintain such lines. On account of depressed conditions in shipping, and in order to insure the maintenance of these trade routes, I would lease the ships on very low bare-boat charter rates. I would also give the charterers an option to buy the ships, and in the event they should subsequently purchase the ships, they should be given credit on the purchase price of the amounts which they had paid for charter hire. By paying the very reasonable charter hire of 15 cents per ton per month, they could easily pay for the vessels on a basis of \$30 per ton, at which the best are now being offered, within 10 or 12 years, and so pay same out of the net profits on the basis of present freight rates and cost of operation, including all incidental expenses and charges.

I am advised that the customary bare-boat charter hire in foreign countries is from 30 to 60 cents per ton per month. Consequently the charter hire mentioned would give the American operators a large advantage.

I would require those receiving ships under bare-boat charter contracts to execute adequate bonds for the protection of the Government's interest. The adoption of the policy suggested would permit the dismissal of the very large number of Shipping Board employees which are now retained under the pretext of directing and supervising the Shipping Board operations under the managing agents, as no Government employees would be required under the bare-boat charter system, except a nominal number to tabulate and collect the charter fees.

If any of the ships operating in the trade routes now maintained could not be leased under bare-boat charter contracts, I would have the Government employ salaried managers to operate those lines, in the same manner that Thomas H. Rossbottom is successfully operating the United States Lines, until conditions improve to such an extent that such ships could be sold or leased under bare-boat charter contracts.

This system would eliminate the division of operations in the Shipping Board, as the manager of each line would have his own operating and office force, which, however, would certainly be no larger or more expensive than the organization under the present managing agent of such line. The Government would get all the profits made, and it now has to stand all of the losses under the managing agents. It would save the commission on gross receipts, and also save the husbanding fees



now being paid to managing agents. Both plans above suggested are fully authorized in section 7 of the merchant marine act of 1920. In advocating said bill, which bears his name, Senator JONES of Washington, in a speech in the Senate, said in part:

We may differ about Government ownership, but that can be no issue here. The Government owns these ships, whether we will or no. They can not be given away. The people will not stand for that. We must not allow private parties to take the cream of this shipping and let the Government hold the balance to dispose of at a great sacrifice. Grant that Government ownership should end as soon as may be; it must be brought about as nearly as may be without unnecessary sacrifice and just as a private individual would get rid of property he did not desire to keep but that he did not have to dispose of at a sacrifice. Furthermore, the Government is interested in the future success of shipping and the maintenance of a permanent fleet. That object must be kept in view, and in getting rid of Government ownership we must try not to sacrifice our property and must strive also to build up and put our shipping on a permanent basis.

Mr. BEGG. Will the gentleman yield for a question?

Mr. DAVIS of Tennessee. Gentlemen, please refrain. I want to make a connected statement.

Mr. BEGG. I want to ask the gentleman a question on the line of the statement he has just been making.

Mr. DAVIS of Tennessee. I must decline.

Mr. GREENE of Massachusetts. The gentleman can not afford to be unfair after being allowed all the time he has.

Mr. DAVIS of Tennessee. Your side has not yielded to me a minute and I do not ask you to.

Mr. GREENE of Massachusetts. Yes, I will yield to the gentleman two minutes if he will answer.

Mr. DAVIS of Tennessee. I decline to yield, because I do not want to be diverted from the argument I am attempting to make, and for which many of you have asked, to tell you what our solution would be. You have asked for an alternative, so give me a chance to answer.

Having cut this tremendous and expensive Shipping Board organization down as indicated, I would then place the organization under one responsible man. In view of the fact that I do not want it to be permanent, and in view of the fact that we are in favor of getting the Government absolutely out of the business, I would not recommend a Cabinet officer at the head of it; otherwise I would. I would place at the head of it some well-informed, experienced, patriotic shipping man of demonstrated ability and patriotism, absolutely free from any connection with or obligation to any private shipping interests; and I think that an ideal man for that position would be Thomas H. Rossbottom [applause], a man who for 20 years, in competition with foreign lines, has successfully and profitably operated the Panama Steamship Line for a corporation owned by our Government. Mr. Rossbottom was placed in charge by the Shipping Board of the United States lines, and he is operating it at a profit, as shown in the hearings and as I have already stated. Mr. Rossbottom has several times appeared before our committee and, to my mind, displayed more knowledge, more intelligence, upon this subject than any man I ever heard discuss shipping matters. I believe that he would work out the chaotic conditions. I believe it would be but a short time until there would be no loss whatever, and that as soon as world conditions would permit we could dispose of our ships to private interests and maintain the operations and do it without subsidies and upon businesslike principles.

I would transfer a goodly number of our suitable idle ships to the Army and Navy for use as transports and auxiliary vessels in case of emergency. We already have the ships, can get but comparatively little for them, and it is claimed by the Shipping Board that we have many more ships than can be utilized in a long time. It will cost but little to care for the ships while laid up. The cost of lay up for 5 or 10 years would amount to nothing as compared with what the Government would be compelled to pay for ships purchased from private interests, or what it would have to pay for the use of ships. This would be in the interest of national defense and at the same time a protection to the public purse.

During the recent war American shipowners ran up their rates on the public and their Government more than 1,250 per cent on the average over pre-war rates, as stated at the hearings by W. L. Marvin and W. J. Love (pp. 1083, 1521-22).

I would place all shipbuilding materials on the free list and keep them there. I would remove all restrictions against the use of imported materials in our ship construction. Prior to the act of 1909, which permitted ships constructed in whole or in part of imported materials to engage in coastwise trade six months out of the year, and the passage of the Panama Canal act of August 24, 1912, which permitted such ships to engage in the coasting trade during the entire year, American manufacturers sold steel plates, the chief material entering into ship construction, from \$6 to \$15 per ton cheaper in England than they sold them for in the United States. Since the passage of

those acts they began selling steel plates cheaper in the United States than they or anybody else sold them for in England, until finally in December, 1914, the selling price of steel plates in the United States was \$23.74 and in Great Britain \$35.59, and the differential in favor of the United States finally went to over \$20 per ton; steel plates sold for \$8 per ton cheaper in the United States than in Great Britain the month following the passage of the said 1912 act. In a recent statement P. A. S. Franklin, president of the International Mercantile Marine, declared that under the provisions of the Fordney-McCumber Tariff Act—

Now we can't even paint a ship in a foreign port without paying duty on it when the vessel reaches the United States.

I would permit the registry of foreign ships under the American flag.

However, I prefer to defer a further discussion of the policies which I recommend until I have completed my analysis of the true situation and laid the basis therefor, after which I shall summarize in detail the plan which I offer as a substitute for the pending bill.

Homer L. Fergerson, president of the Newport News Shipbuilding Co.—which is reconditioning the *Leviathan*—and a member of the claims commission of the Shipping Board, said:

England's superiority in maritime affairs is due to her shipowners and traders being expert in all branches of the shipping business, while ours are not.

W. J. Love, vice president of the Emergency Fleet Corporation and in charge of traffic, and one of the \$35,000 experts, was asked at the hearings why it was that Great Britain without the payment of subsidies and paying the highest wages of any nation except America had been all along able to successfully and profitably compete against other European and oriental nations which employed cheaper labor and also paid subsidies, and his reply was:

It is a question of organization. Every man thoroughly knows his business.

At another point Mr. Love said that—

Management is the essence of successful operation.

Winthrop L. Marvin, general manager of the American Steamship Owners' Association, and one of the most active advocates of this bill, in a letter published in the May 20, 1922, issue of the *Nautical Gazette*, declared:

This is the world-around combination for the preferment of British ships which has long enabled those ships to meet the competition of the lower wages of some other nations. But no similar combination covering all ports and trades has yet been built up by the United States. When we have it, as our forefathers had in the heyday of our clippers and packet ships, we may get along without subsidy, but not until then can we possibly do so.

#### SUBSIDIES WRONG IN PRINCIPLE.

Are we Americans going to concede that, although we can excel the world with our genius and intelligence, skill and resources in every other line of industry and endeavor, we are absolutely impotent when it comes to the maritime industry. That is what this bill means, and it is all it means. Instead of presenting a remedy it presents a quack nostrum. Instead of presenting something that will build up and maintain a healthy merchant marine it simply applies an artificial stimulant.

Ship subsidies are not only unwise, expensive, uneconomic, and self-defeating, but they are debauching. There is no greater evil than for an administration to build upon the sale of favors. Once begun such a habit grows by what it feeds upon. Once a party has debased government to an agency for collecting taxes from the many to be dispensed as subsidies and gratuities to the few, the abandonment of such a policy is difficult if not impossible.

Like all professional mendicants, the recipients of subsidies lose all independence and self-reliance, all pride and self-respect. They are not even in the infant class. An infant soon reaches an age when it becomes ashamed to longer nurse the bottle and will wean itself, but not so with those who have been permitted to nurse from the Public Treasury. The lustier they get the greedier they grow.

If we adopt this unsound, unclean policy it will become an incurable cancer and eat into the very vitals of our institutions. It will poison the entire system of our body politic.

#### SUBSIDIES HAVE NEVER BUILT UP A MERCHANT MARINE.

The worst feature of it all is that subsidies never have built up a merchant marine and they never will.

I shall not at this time enter into any extended discussion of the experience of other countries, but I shall quote briefly from the first report prepared at the instance of the present Shipping Board entitled "Report on the history of shipping discriminations and on various forms of Government aid to shipping, compiled by the United States Shipping Board," and which was inserted in the record of the hearings as Appendix A.

(Hearings, 67 to 103.) After discussing the experience of the various countries this report in its final conclusions states in part:

A study of the authorities on subsidies, taking into account the policies adopted by various countries, would seem to indicate that with the exception of Japan the policy has not been important in the building up of a merchant marine.

As a matter of fact, the growth of the Japanese merchant marine was not due to subsidies, but simply coincident with the marvelous growth of all the Japanese industries, as recognized and stated by the standard authorities, and as I fully showed in a speech delivered in the House last June.

#### GREAT BRITAIN DOES NOT PAY SUBSIDIES.

Desperate advocates of ship subsidies repeatedly make the statement that Great Britain pays subsidies, and that in such manner her merchant marine has been established and maintained. This is absolutely untrue. In view of the fact that Great Britain is our chief maritime rival, and nearly all the comparisons have been made with Great Britain, I wish to cite some evidence on the subject.

R. T. Merrill, an official of the Shipping Board, and a star witness in behalf of this bill, said at the hearings—page 634: No, sir; practically no subsidy was ever given by England.

Meyer Lissner, one of the commissioners of the Shipping Board, and a partisan advocate of this bill, stated at the hearings—page 635:

They (Great Britain) have never given anything, so far as I know, purely as a subsidy to build up their merchant marine.

The above-mentioned report compiled by the present Shipping Board states, in part, as follows:

Great Britain has never granted general navigation bounties nor construction bounties, with the exception of the early Elizabethan subsidies above mentioned in 1662-1694—

Which said report states—

had no noticeable effect on ship construction. Practically the only money aid given by Britain to its marine is in the form of postal subventions.

The net postal subvention, after deductions, paid by England to its various services amounts to about two and a half million dollars.

All the writers seem to agree that the growth of the British merchant marine is in no sense due to the small subsidy paid, admitting that the payments are in excess of the postal service rendered. The growth of the British marine was probably due to the early development of British industry, the acquisition of extensive colonial possessions, and the monopolistic or preferred position in colonial trade. The cheapness of construction and the concentration on the business account for most of its success.

In this connection it is interesting to note that our ocean mail act of 1891 authorizes as liberal a policy as Great Britain has ever pursued with regard to mail contracts. In fact, we are now paying about twice as much annually for the carriage of our ocean mails to foreign countries as Great Britain is paying. However, this is not a subsidy either in the case of Great Britain or the United States; it is a payment for service, either on the basis of ocean postage rates or under contracts let by competitive bidding. It is just as legitimate and proper as is the payment for the carriage of our mails on land.

As stated by Grosvenor M. Jones, in his "Government Aid to Merchant Shipping," and by other authorities, at least 95 per cent of the total tonnage under the British flag has long consisted of cargo ships, the commerce carriers, which never received one cent mail pay or Government aid in any other form.

Much has been said by the proponents of this bill about the loan made by the British Government to the Cunard Line, which is offered as an excuse for the \$125,000,000 loan fund provided in this bill, and apparently as an excuse for the various other subsidies and aids carried in the bill. This transaction is correctly described in the above-mentioned work on "Government Aid to Merchant Shipping," by Grosvenor M. Jones, as follows:

The only instance of a loan to a steamship company by the British Government was the loan made to the Cunard Steamship Co. under the mail and Admiralty subvention contract of 1903. Under this contract the British Government loaned the steamship company £2,600,000 (\$12,652,900) for the building of two steamers (the *Lusitania* and the *Mauretania*) that should be faster than any afloat and suitable for the use of the Admiralty. The loan was made at the rate of 2½ per cent, which is about 2 per cent lower than the rate at which the company could have borrowed a similar amount in the open market.

However, it is quite probable that the British Government could borrow the money at that time at as low a rate as that charged the Cunard Co.

The British Government is a stockholder in the Cunard Co. to the extent of one share and has a mortgage on its fleet and other property as a security for the loan. The Government has, moreover, the right to charter or purchase at agreed rates all or any of the company's vessels at any time, and requires that the company shall remain a purely British undertaking; that its management shall be in the hands of, and that its shares and vessels shall be held by, British subjects only; that it shall not give preferential rates to foreigners; and that it shall not unduly raise freights.

Dunmore, in his book on "Ship Subsidies," declares that—

there is nothing in the experience of our own or other nations to justify any faith that permanent benefits would result from a subsidy policy.

The recognized standard work on the subject is "Meeker's History of Shipping Subsidies," and it shows conclusively and declares emphatically that subsidies have proven a failure wherever tried, with the result that the shipping interests have almost invariably begged for more and more subsidies, frequently being influential enough to secure additional bounties from time to time.

#### SUBSIDY-PAYING NATIONS ABANDONING POLICY AS UNWISE.

However, it has become so evident that government bounties and other aids to shipping are economically unsound, unwise, and futile that such policies are being either curtailed or abandoned by many nations which have been most liberal in granting same. This is notably the case with Japan, France, and Italy, which have been the most liberal subsidy-paying nations. These facts are shown by articles which have been appearing in recent issues of "Commerce Reports," published by the United States Bureau of Foreign and Domestic Commerce. For instance, it is stated in the Commerce Reports of September 25, 1922 (page 838):

In brief, within two years submarine warfare developed Japanese shipbuilding and Japanese shipping at sevenfold the rate of its increase in 20 years under a carefully devised bounty project. The purpose of the shipbuilding bounty law of 1896 was being accomplished by other instrumentalities, and in 1918 the Japanese Government suspended its operation; so far as can be ascertained, Japan has no intention of putting it into effect again in the near future.

This same article shows that the entire Japanese budget for 1922-23, covering every form of aid to shipping, including mail pay, is approximately \$5,000,000—less than it was even 15 years ago.

In the August 7, 1922, issue of Commerce Reports (page 398-400), appears an article by E. T. Chamberlain, Transportation Division of the Department of Commerce, on "French Maritime Policy," in which it is shown that France is retrenching considerably in her aid to shipping. I quote briefly from said article, as follows:

The French navigation, construction, and equipment bounty act of April 18, 1906, expired in 1918. \* \* \* The budget for 1922, accordingly, contains an appropriation for the current year of 4,000,000 francs, and the budget estimates for 1923 provide for 3,000,000 francs. The appropriations for navigation, construction, and equipment bounties during 1913 were \$5,425,000 (about 26,000,000 francs).

The French construction and navigation bounty system, which began with the act of 1881 and was continued, with modifications, up to 1918, was the result of the loss in 1871 of her rich iron-ore mines through German annexation of Alsace and part of Lorraine.

In another recent issue of Commerce Reports appears an article by Mr. Chamberlain on "The Italian Merchant Marine," which concludes as follows:

Indeed, even in July the Government's explanation of the budget estimates for 1922-23 seemed to forecast reductions or abandonment of the construction and navigation bounty system.

The annual report of the Commissioner of Navigation for 1909 detailed the Government aid paid shipping by all nations, and contained the following résumé:

The aggregate amount paid by foreign nations in the form of subsidies, ocean-mail pay, navigation and construction bounties, admiralty subventions, naval reserve appropriations, fisheries bounties, refund of Suez Canal tolls, and other forms of contribution, which directly or indirectly add to the volume of business under their respective national flags, is upward of \$46,000,000 a year. (P. 19.)

#### TOTAL AID TO SHIPPING PAID BY ALL NATIONS.

The aggregate amount of Government aid to shipping granted by all the nations is considerably less now than it was then.

If the pending bill should become a law it would impose upon our National Treasury burdens equal to about twice as much as the subsidies, bounties, ocean-mail pay, and all other aids of every character and description given shipping by all the other nations combined.

#### ROBERT DOLLAR SAYS SUBSIDIES NOT NEEDED.

In the last June issue of Nation's Business, the official organ of the United States Chamber of Commerce, is an article by Robert Dollar, who ever since 1893 has operated a large number of ships in the foreign trade under both American and foreign flags. In this article he says:

A subsidy for American ships has been proposed in Washington. The whole country, as well as the shipowners of America, are very deeply interested in that question. I have been operating ships for a good many years, and I feel that I ought to know something about this subject. I have always felt that a shipowner that must have "pap" from the Government does not deserve to be in the business.

[Laughter.]



In another article that appeared in the August, 1922, issue of the same magazine, Mr. Dollar expresses it as follows:

We do not need "pap" that destroys hardihood and resourcefulness.

In the first article mentioned Mr. Dollar continues:

We do not need any advantage over the other fellow; we can take care of ourselves; but we do ask for an even break. Government interference and foolish laws have prevented that.

Then he explains how it was he had made a success by establishing foreign offices and foreign trade connections.

The entire article is illuminative, but I shall only read from same briefly, in order that you may obtain some idea of the efficient businesslike methods employed by Mr. Dollar and by which he succeeded. I quote from the article further:

We bought the *Newsboy* of about 300 tons, and she paid for herself in less than a year. We then bought several more vessels. That was in 1893.

It is about 20 years since we sent our first steamer to China. It was the *M. S. Dollar*, and the result of that voyage was a loss. This convinced me that if we were to make a success of this trade we would have to have an organization on the ground. So I made a trip and carefully looked over the field, and, as a result, opened an office in one small room on the Szechuen Road, Shanghai.

This was certainly starting on a very small scale, but this is my ideal—start on a small scale and work up from a sure foundation. We were forced to move several times to get larger quarters, and we now have our own office building, one of the handsomest in the wonderful city of Shanghai. At present we have 11 offices in the Far East, and each one of them seems to have plenty to do. The same progress has been made in America. Twenty years ago we only had the San Francisco office; now we have five others. Our fleet has grown until it includes 13 good cargo steamers and 10 sailing vessels.

The necessity for return cargoes made us open our offices in the Far East. We filled the ships with our lumber on this side, but we had to work it so they made a profit both ways.

VIEWS OF P. A. S. FRANKLIN.

In a statement by P. A. S. Franklin, president of the International Mercantile Marine Co., in hearings before the United States Shipping Board held in New York October 4, 1921, Mr. Franklin said, in part:

Simply as an example I would like to say that we have for some years past operated one of our most important passenger services (the Red Star Line between New York and Antwerp) with a fleet in which there are steamers of American, Belgian, and British registry. These ships have run side by side year in and year out and without discrimination of any kind. We have done it successfully for years, and can do it even more successfully on a larger scale.

This same company more than two years ago, before there was any prospect of a subsidy, submitted a bid of \$28,500,000 for 30 certain vessels owned by the Shipping Board. The offer included an agreement to operate them under the American flag and in the American trade, chiefly in the north Atlantic and the remainder to Mediterranean, Adriatic, and Black Sea ports and to South America. The Shipping Board was about to accept that offer when William R. Hearst filed a bill of injunction and the sale was enjoined. He did a very bad thing, because more was offered then by far than can now be procured for these same ships. However, this substantial offer showed conclusively that the International Mercantile Marine Co. knew from experience that they could successfully operate that large number of ships under the American flag and chiefly in trades where competition is the sharpest in the world.

A letter recently appeared in the New York World by a shipowner and operator, William Willard Howard, in which he says:

A Government ship subsidy is not necessary for profitable operation of American ships. An American merchant marine can not be built permanently upon a foundation of Government subsidy. \* \* \* As an American shipowner I say that we can put the American flag upon the Seven Seas and keep it there without a ship subsidy or other Government aid, but we can not do it with lawyers and advertising agents and manufacturers of washing machines on the flying bridge.

[Laughter and applause.]

Now, on the question of the alleged differential on labor, I want to call attention to the fact that Capt. Daniel A. J. Sullivan appeared before the Society of Naval Architects and Marine Engineers at New York November 12, 1922, and stated:

American steamship lines can equalize their operating costs with their foreign competitors, but a subsidy is necessary to offset the higher first costs, depreciation, and insurance.

He is wrong about that, for the reason that we propose to sell these ships at a small percentage of even their pre-war cost and value, and at a much lower price than most foreign competitors obtained theirs. Those who already had ships before the war made such large profits with them during the war that they earned many times their total investment, as is shown in the hearings and in the minority report.

In this connection, I call attention to a very instructive article that appeared in the September-October, 1921, issue of Bulletin of the American Bureau of Shipping, as follows:

#### AMERICAN YARDS MEET FOREIGN COMPETITION.

Mr. George J. Baldwin, chairman of the New York Shipbuilding Corporation and president of the Pacific Mail Steamship Co., recently pointed out some of the encouraging points sometimes overlooked by American shipbuilders in these days of depression, which it will be well to bear in mind.

"Our yards," says Mr. Baldwin, "attract the best type of workmen at high wages; gives them the most modern tools to work with, and can now successfully meet the low-wage competition of foreign countries by the greater speed and, therefore, lowered unit cost of production. The result is that the American yards can turn out ships capable of the most economical operation and can deliver them with a promptness which is a valuable asset in the calculations of the owner or operator."

In this connection it is noted that a British oil-transport company that formerly placed all its orders at home found construction so slow in England that it contracted for six tankers from American shipyards. And, better still, the results have been so satisfactory, both as to quality and speed of delivery, that other orders are likely to come to this country.

One of the past handicaps—the lack of a bureau of shipping—has been happily solved by the rejuvenation, expansion, and modernization of the American Bureau of Shipping, which now bids fair to be the best of the classification societies, and, moreover, a thoroughly American institution. (From Bulletin of the Atlantic Coast Shipbuilders' Association, July 15, 1921.)

On the question of the alleged differential in first cost, I also call attention to the discussion of that subject in the minority report.

#### NO DISADVANTAGE ON MARINE INSURANCE.

With reference to the alleged disadvantage operating against American shipowners with respect to marine insurance, I call attention to the following testimony in the hearings, pages 2164-2166, given by Meyer Lissner, a commissioner of the present Shipping Board, as follows:

I don't pretend to be a marine insurance expert, but it just happens that marine insurance matters are delegated to me by the board for such consideration as the board gives to them. We have insurance experts in our employ.

Mr. Lissner explains that the marine insurance experts gave the matter some month's study and—

came to the conclusions embodied in the report that has been filed here and is in the record, prepared by Doctor Huebner, which is practically Professor Leslie's report, and generally they came to the conclusion that as at present organized the American steamship companies suffer no disability in regard to marine insurance as compared with their foreign competitors; that the market is wide open; that there is direct and complete competition; and there is such keen competition that American shipowners can secure in the open market, class for class, terms for marine insurance and rates comparable with what foreign shipowners may secure.

Mr. DAVIS, Mr. Lissner, hasn't it been thoroughly understood and claimed that in the past the American operators have been at a disadvantage so far as insurance was concerned?

Mr. LISSNER. Yes; up to the time of the organization of these syndicates that was notoriously true.

Mr. DAVIS. When were they organized, Mr. Lissner?

Mr. LISSNER. Just a couple of years ago.

Mr. DAVIS. And you think that they have solved the situation?

Mr. LISSNER. To a very considerable extent; yes, sir.

Mr. DAVIS. And do you think that the Edmonds bill, which recently passed Congress, will still further help along that line?

Mr. LISSNER. Yes, sir; I do.

Listen to what Captain Sullivan says further:

The American scale of wages at the moment is actually below the British, the Danish, and the Swedish. The time has arrived to establish the American merchant marine on a clean, efficient business basis, and to regulate the operating cost so that it will be on a par with international competition.

That is what we say. It should be on a clean, businesslike basis.

#### VIEWS OF J. H. ROSSETER.

I want to now come to a very high authority, Mr. J. H. Rosseter, who has had over 30 years experience in the shipping business. He was vice president and general manager for many years of the Pacific Mail Steamship Co. and was later vice president of the William R. Grace Co. For 30 years he operated ships under the American flag on both the Pacific and the Atlantic in competition with British, German, Japanese, Norwegian, and other foreign-flag ships—a man who ought to know something about the game and who does know very much about it. He would certainly have no selfish motive to say anything against a policy which would give him and other ship operators "pap," as described by Mr. Dollar. I want to read now from pages 2242 and 2244 of the hearings.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. EDMONDS. That statement of Mr. Rosseter was a copied statement; it was not given actually before the committee of investigation in regard to this bill.

Mr. DAVIS of Tennessee. Oh, no. It was a statement made by him before another congressional committee and inserted in the hearings on this bill.

Mr. EDMONDS. And it was made two or three years ago, when entirely different conditions prevailed. I shall put in the testimony a letter from Mr. Rosseter which shows an en-



tirely different conception from what the gentleman is going to read.

Mr. DAVIS of Tennessee. I assume that Mr. Rosseter is a man who is not going to swallow his words. I am going to quote his words exactly. It is true they were made two or three years ago, but the conditions now would make truer what he said at that time. Mr. Rosseter appeared before the Committee on Ways and Means in October, 1919, and, among other things, in referring to the British advantages and disadvantages, he said:

Now, one of the disadvantages they suffer, and one of the great advantages we have is the fact that their merchant marine was constructed to use coal as the agency of propulsion, whereas our fleet is largely composed of so-called oil burners. All British bunker stations in the trades of the world are designed to handle coal. Practically the entire British merchant marine, both as to regular and irregular lines, rests entirely on coal.

The value of oil propulsion we have discovered to be of dominating advantage as compared to coal. In my experience this was made plain as far back as 1900. Generally speaking, the operation of sister ships, one with oil and the other with coal, will show an advantage in the case of the oil burner amounting in dollars and cents to more than the total pay roll for officers and men, not the difference between American and foreign scales, but offsetting the entire pay roll of the ship.

Remember that in connection with the fact that 75 or 80 per cent of the American ships are oil burners and that but 10 per cent of the British and other foreign ships are oil burners. The fact is that we have under the American flag more oil burners than exist in all of the merchant marines of all the balance of the nations of the earth combined. Think of that fact alone in connection with what Mr. Rosseter says and in connection with what Mr. Rosbottom and Mr. Munson say, and in connection with what everybody else says who have testified as to the advantage of oil burners over coal burners. In fact, witnesses in behalf of the bill admitted at the hearings that an oil burner had from 15 to 20 per cent advantage over a coal burner, and the advantage, according to the testimony of others, is even greater than that. That fact alone overcomes every advantage, fancied or real, that foreign merchant marines have over the United States, just as Mr. Rosseter says.

I quote further from said hearings before the Ways and Means Committee:

Mr. TILSON. Would it not be possible for England to build her new ships the same way, so that her new ships could burn oil?

Mr. ROSSETER. Yes, sir; and she is doing that.

Mr. TILSON. But these new ones cost her as much to produce as they cost us?

Mr. ROSSETER. Right. And she has no arrangement for oil-bunkering stations along her trade routes, and she has yet to begin where we began a year ago.

Mr. TILSON. Therefore, so far as her new ships are concerned, we shall be practically on a parity, in your judgment, in the capital cost of a ship and in the cost of operations. Now, what about the difference in wages of the men who man those oil-burning ships run by England and those run by this country?

Mr. ROSSETER. On the oil burner we do away immediately with what is known as the black squad. We have in the engine room what might correctly be designated as junior engineers. They are called water tenders and oilers, etc., but they are a class of men who are in course of apprenticeship for engineers, and the black squad is gone. There is no more shoveling of coal. In the burning of oil it is like the turning of the wick in a lamp, and the black squad is dispensed with, and thus the engine-room force on cargo ships is reduced by from 8 to 14 men, while on passenger liners the crew is reduced from 50 to 250 men, according to the size of the ships.

The advantages of oil burners over coal burners are also clearly set forth in an editorial appearing in the *Nautical Gazette* of April 15, 1922, in part as follows:

A large reduction in the size of a vessel's personnel; the ability to maintain a full head of steam irrespective of the expenditure of human energy; the elimination of the periodical cleaning of boilers; the avoidance of trimming at sea; the greater rapidity with which ships can be bunkered; the increased radius of action for a given weight of fuel; the ability to make faster turnarounds at the end of a trip and consequently more voyages in the course of the year. Furthermore, oil-burning ships are able to transport more freight than coal-burning vessels, since the oil fuel can be carried in spaces like the double bottoms of ships which can not be used either for coal or cargo. Large economies can also be effected by substituting on ships oil in place of coal burning apparatus. When this change was made on the steamer *Arizona*, of 8,533 tons gross, of the American-Hawaiian Line, the resultant saving amounted to \$105 a day. In the case of an average-sized cargo carrier converted from coal to oil burning, Mr. Robert E. Annin has figured the direct saving at \$80 a day.

In the amount of tonnage built to burn oil under boilers, the American merchant marine has a long lead over other maritime competitors. In 1920, when our shipping had not attained its present size, American vessels of 500 tons or over so equipped numbered 1,367, of 6,500,000 tons. Since there were only 2,536 such vessels, of 12,797,000 gross tons, in the whole world, according to the latest available statistics, the United States can justly claim to have a larger oil-burning merchant fleet than all the other nations put together. In estimating the chances of the survival of our merchant marine this is an advantage not to be overlooked. In time other nations may catch up with us in this respect, but for the present we have outdistanced all maritime rivals as regards the more widespread adoption of the burning of liquid fuel on ships.

Reverting to the views of Mr. J. H. Rosseter; he appeared at the hearings before the House Committee on Appropriations in June, 1919, he then being director of the Division of Opera-

tions of the Shipping Board. I quote from the hearings as follows:

Mr. VARE. Have you any figures showing the cost of manning an English ship as compared with the cost of manning an American ship of the same size?

Mr. ROSSETER. Yes, sir. The prejudice on account of the somewhat higher wages and of the larger manning scale amounts to about 2 per cent of our operating cost. The difference in cost on 100 per cent of operation. About 2 per cent is the prejudice to the total of operation costs. I have always used that figure as an answer to the widespread impression that that is one of the serious items that we have to encounter. I consider that one of the inconsequential items. It is a prejudice, but it is so small that I express it by saying it is only 2 per cent of the operating average.

I want now to quote from a letter written by Mr. Rosseter to Mr. E. N. Hurley, then chairman of the United States Shipping Board, about two years ago, in which he made some observations. This was done in response to a request from Chairman Hurley for his views on what ought to be done with regard to our merchant marine, because Mr. Hurley and the Shipping Board were then studying the problem through various different investigating committees, and they made an elaborate report. In that letter Mr. Rosseter, in part, said:

As often happens in large questions, the controlling factors are overlooked or neglected. The amount of wages paid is to be properly measured by accomplishment. It is true we have a larger number of officers and men on a ship than required under foreign flags and that we pay higher wages and provide better food, all of which costs more than our competitors are paying. That is not to be contradicted, and for my part it is not to be changed, confidently expecting, as my own experience has proven, that we get better and more efficient service from men who are well paid and well fed.

While that was true at that time, yet under the manning scales now in force, according to the admission of the Shipping Board witnesses, we are now required to employ on American vessels a smaller number of men than is used by any other nation on earth for the same class of ships. We pay a little more for our licensed officers, yet that is more than offset by the fact that we employ a smaller crew than is employed on foreign ships.

Mr. JOHNSON of Washington. In regard to this very question of crews, why is it that all of these vessels come in with larger crews in ballast than they take out, if what he says is true? Nearly every one of them comes to the United States officered and manned with a larger crew than is carried out, and they thus succeed in dumping alien sailors in the United States.

Mr. DAVIS of Tennessee. I do not know of that condition.

Mr. GARRETT of Tennessee. Maybe the dumping has something to do with it, and not the necessity.

Mr. JOHNSON of Washington. Certainly; but the gentleman is talking about higher efficiency in the crew. They bring in a larger crew on a vessel in ballast than they carry out on a vessel loaded.

Mr. DAVIS of Tennessee. I know of no such condition as that.

However, if such things occur it must be either that the white seamen are discharged in Asiatic ports and a larger number of Chinamen are required to perform the same service or else that the ships bring back Chinese for the purpose of smuggling them into this country, as the customary price for smuggling a Chinaman into this country is said to be \$1,000 or \$1,500. If such a practice is being indulged as indicated by the gentleman's question, it is an additional argument why this bill should be amended so as to provide that no ship shall receive the subsidies and aids in this bill unless their crews shall consist of American citizens or persons eligible to become American citizens. We minority Members have made futile efforts to get the bill amended in that respect.

Mr. HARDY of Texas. That would not have anything to do with this question.

Mr. DAVIS of Tennessee. No; that has no application to what I am discussing. Mr. Rosseter further says:

Much emphasis has been laid on these items and too little attention given to the really important problems. Within our reach are advantages to be gained far offsetting our disadvantages, and I firmly believe that American ingenuity when properly directed will triumph.

As an example, consider the cost of water-borne commerce on the Great Lakes. There you find, under the spur of necessity and achievement, that American-built and American-manned ships are handling and carrying cargo at the lowest cost per ton known in world's commerce. It is but a step to the equal establishment in our ocean business, but we must approach the problem with confidence and determination.

The prejudice of higher costs of manning, by which I mean larger crews at higher pay, and extra cost of victualing, can be fairly stated as amounting to less than 2 per cent of the total operating expense.

This can be entirely offset, and more, by a reasonable increase in the speed of our ships and by improving loading and discharging equipment, thus reducing the time in port as well as on voyage.

Again, there is the problem of improving the method of propulsion by utilizing the great natural advantage we hold in our supply of oil fuel. As you know, even with the ordinary reciprocating type of engine, we get one-third greater distance from a ton of coal, besides doing



away with the so-called "black squad," which means a reduction of at least six men in the engine room. So great are the possibilities in the field of propulsion that I will not venture a surmise as to what may be accomplished in that respect.

Other questions which have a most important bearing on our maritime enterprises may be briefly mentioned:

- (a) Cost and type of construction, in which we should lead the world.
- (b) Utilization of natural highways and channels of trade, including coordination of railways and steamship lines.
- (c) Development of efficient maritime organizations abroad as well as at home. Without proper representation and facilities abroad we would be at a fatal disadvantage.
- (d) Assurance of shipowners and merchants of the lowest rates of marine insurance.
- (e) The most favorable facilities for foreign exchange and discounts.
- (f) Such conservation or legislation as may be necessary to assure a supply of fuel oil for our ships.

These are the real problems we are facing, and, confident of a successful solution, I believe we will reach a high place in world's commerce.

#### AMERICAN SUBSISTENCE COST LESS THAN FOREIGN.

As previously explained, even the small wage differential mentioned by Mr. Rosseter has since been overcome. On the question of the cost of victualing or subsistence, R. T. Merrill, one of the chief witnesses in behalf of this bill, testified at the hearings (p. 441) as follows:

Reports from our London representative give an average of about 60 cents for the European countries, and our representative in Japan cables that 62½ cents was the cost of feeding on Japanese ships at the end of 1921.

On June 20, 1922, the Shipping Board reduced the subsistence allowance of the crews on Shipping Board vessels from 80 cents to 65 cents per man per day. The present subsistence allowance on privately owned American vessels is from 49 cents to 51 cents per day per man.

Consequently it will be seen that according to the present rates the subsistence allowance on privately owned American ships is very considerably less than that on British ships or of any other European maritime country. However, the most startling feature of it is that the Shipping Board allowance is only 2½ cents per day per man more than the Japanese allowance, and that the allowance reputed to now obtain on privately owned American vessels is from 11½ to 13½ cents less than on Japanese ships, and yet they say that American operators must have these enormous subsidies in order to make up the differential in labor and subsistence cost due to the higher American standard of living.

#### VIEWS OF JAMES A. FARRELL.

I have previously stated that if James A. Farrell had accepted appointment as chairman of the Shipping Board, no ship subsidy bill would have been presented for the consideration of the Congress. As I am reliably informed, Mr. Farrell is opposed to ship subsidies as being a premium on waste and inefficiency and not calculated to aid in establishing and maintaining a merchant marine. Mr. Farrell is the grandson of a sea captain, and his father was an experienced shipping man. Mr. Farrell himself is president of the National Foreign Trade Council, and also president of the United States Steel Corporation, and has had a large experience in the construction and operation of ships. He is generally recognized as one of the highest authorities in this country on shipping matters. In an address on "American Maritime Policy," delivered by Mr. Farrell in May, 1921, Mr. Farrell, among other things, said:

It is unlikely that anything effective can be accomplished for the time being, during the present world-wide depression, for which there is no precedent in the history of shipping. \* \* \* All maritime nations are affected. \* \* \* In normal times, had there been no interruption to the natural growth of trade, this tonnage would be largely employed; but because an economic metamorphosis has taken place as a result of the war and the ordinary processes of trade have been unbalanced, it will require time to build up the economic structure.

The Shipping Board, as owners of the steamers, when assigning steamers to loading brokers to operate for their own account on a designated trade route, should stipulate a trade name under which the line will operate, this to be the property of the Shipping Board; and should they eventually sell these steamers operating in this trade, the trade name should go with the line.

Until trade revives and opportunity exists for obtaining a fair sales price an early retirement of the Shipping Board and liquidation of its shipping business seems impracticable, but a partial solution of one of the difficulties confronting the Shipping Board is to continue to lay up a considerable portion of their tonnage and, in line with the timely slogan, "Less Government in business, more business in Government," withdraw from all but supervision activity by chartering the steamers to reputable and experienced operators, either on a bare-boat basis or on time charter, allowing the charterers the option of purchasing the steamers when conditions improve.

Since Mr. Farrell made this suggestion about 800 of the ships have been laid up. Mr. Farrell further said:

The claim is made, and justly, that the cost of American ships must reasonably approximate the cost of their competitors, and that capital charges must be substantially equalized with those of our competitors. The fact remains that while a considerable number of ships built abroad have been sold under stress of necessity at less than half the cost of reproduction, as in the case of ex-enemy ships sold by Great Britain, the great bulk of the world's tonnage built during the war

fairly approximates the average cost of our own fleet. Again, it is said that operating cost must be approximately equal to those of our competitors. Leaving wages paid in American ships out of consideration, does the foreigner, loading from American ports, obtain any lower prices for fuel, ship repairs, wharfage, harbor dues, stevedoring, supplies, and stores in United States ports than do our own ships?

The main factor in determining whether we can compete successfully lies largely in our shipping laws. \* \* \*

While the cost of the ships will be written down eventually to a reasonable figure, the ships can not be sold until a market exists for them, and until that the investors will not furnish the money to buy them. Meanwhile they will at least save the Government large outlay in carrying on their present plan of operation, if chartered to shipping people on a competitive bare-boat basis. This will relieve the Government of expense and enable them to earn a moderate revenue.

The bare-boat-charter basis with an early revision of our navigation laws—the latter an urgent requirement of the situation—might be called a plan to enable shipping people to send our ships to sea upon terms of equality.

The chief criticism of the navigation laws made by Mr. Farrell was of the former requirement of more men on American steamships than of other nations. However, as previously explained, that has been changed since this address by Mr. Farrell. Under the manning scale adopted by the Shipping Board in December, 1921, a smaller number of men is required on American ships than on that of any other nation.

#### AMERICAN PEOPLE SHOULD SUPPORT OUR MERCHANT MARINE.

In another address on "An American Foreign Trade Policy," delivered by Mr. Farrell before the National Foreign Trade Convention at Philadelphia last May, Mr. Farrell said:

The United States Shipping Board are supporting a project of legislation in Congress aimed at furnishing both direct and indirect aid to a privately owned and operated merchant marine. A considerable measure of public support has been accorded to the bill, and some degree of opposition to it has been expressed.

Whatever may be the fate of these particular proposals, some things are quite clear. The greatest subsidy our ships can have in overseas trade would be the support of the American people. The greatest hardship under which they are at present laboring is the lack of such support. We shall not have a successful American merchant marine unless its ships are more largely used by American shippers. That does not mean that American exports should be confined entirely to American vessels. Such a proposition is impractical and ridiculous, since shipping is an international problem and we require inward as well as outward cargoes. It does mean that Americans should always have that "favoring spirit" toward the use of their own vessels on equal consideration. They must control, either directly or by selling their goods c. i. f. foreign ports, the choice of routing their shipments and thereby likewise influence the obtaining of competitive freight rates. Other nations have developed this spirit of cooperation in a high degree, and much of their success is attributable thereto.

Anyone with experience in foreign commerce understands that ocean shipping is an international business. Any attempt to confine all American cargo to American vessels would have as its inevitable corollary the confining of all foreign cargo to foreign bottoms, which is all that is needed to show that while we are advocating peace as between nations and have agreed to a limitation of armament that we propose to use our merchant marine as a weapon in trade wars with other countries. But there is in this, as in other matters, a reasonable mean that can and should be accomplished. Our Government should establish friendly relations with foreign shipping in order to enable our shipowners to share in inward cargoes which are necessary if our American merchant marine is to have that share of success which will make it permanent. If those who control inward cargoes for their respective countries and colonies are expected to lift our ballast losses homeward to a playing basis, they must in turn receive consideration at our hands. Many factors in shipping are not susceptible of discrimination by the Government of any nation as against others without corresponding limitations.

Thomas H. Rossbottom (hearings, pp. 356-357), W. J. Love, Phillip Manson, and various others testified to the fact that the citizens of foreign countries are much more loyal to their merchant marine than are American citizens. This is doubtless due to the fact that investments in shipping are more widely distributed in foreign countries, and to the fact that American shipowners do and say everything they can to keep American citizens from being proud of the American merchant marine. Lasker readily fell into the same habit, and much of his propaganda has been to the disparagement of our ships and the American merchant marine.

A few years ago the New York Chamber of Commerce appointed a special committee to investigate and report on the American merchant marine problem. This committee was composed of men experienced in shipping matters, of which Irving Bush was chairman and George E. Dearman, president of the American-Hawaiian Steamship Co., Irving Douglas, and others were members, and the report of the committee was unanimous. The said committee reported as follows:

If a substantial tonnage is to be created, it is idle to suggest that it be entirely constructed in this country, for the facilities do not exist for the work. \* \* \* If a large tonnage built abroad is placed under the American flag, the necessary repair work will be an important aid in establishing American yards on a basis where they can compete with foreign shipbuilders.

We desire, first, to point out that there has been a general misunderstanding of the added cost of operating American vessels as compared with the same vessel under a foreign flag. It has been frequently stated and generally accepted that the operation under the American flag will cost from 40 to 50 per cent more. We believe this percentage should be applied to wages alone, for the cost of fuel, supplies, insurance, and upkeep is substantially equal for the same vessel in the same



trade, regardless of flag. On the passenger ships, where the wage item may be a larger percentage of the total operating costs, the difference in favor of foreign vessels is somewhat greater; but with strictly freight carriers your committee is informed that the disadvantage under which American tonnage must labor is 5 and 10 per cent of the total operating cost. Even in passenger vessels of a type suitable for South American trade the disadvantage probably does not exceed 10 per cent. The steamship man must obtain his capital for American ships from American investors. The American investor knows little of the value of securities of steamship companies beyond the repeated statements of the public press that it costs 40 per cent more to operate an American vessel than one owned abroad, and that consequently competition is impossible without a heavy subsidy. These statements are not calculated to attract American capital to vessel securities.

As Senator FLETCHER said in discussing this report:

In other words, according to the New York Chamber of Commerce report, subsidists have for years been deceiving the American people as to the cost of operating American ships in their efforts to wring from Congress a subsidy to make up the fictitious difference of 40 to 50 per cent in cost of operations, but have only succeeded in destroying the confidence of American investors in shipping investments.

#### EXORBITANT SALARIES PAID BY AMERICAN STEAMSHIP LINES.

One of the chief difficulties of the American steamship lines is that they are closed corporations, maintain unnecessarily large forces of high-paid executives, and do not run their businesses on economical, businesslike principles. During the hearings, when efforts were being made to ascertain the high salaries paid, Meyer Lissner, a commissioner of the Shipping Board, who was ever present attempting to protect the interests of private shipowners, spoke up and admitted that the salaries of some of the officials of American steamship lines ran as high as \$100,000 a year. In other words, although the capital stock of none of these companies is over about \$100,000,000, including watered stock and stock dividends, yet they pay larger salaries than that received by the President of the United States or by the presidents of the various large railway systems with their billions of dollars invested and with systems infinitely larger and more complex than any of these steamship lines.

#### VIEWS OF JOHN C. SEAGER, JR.

Along this line I call attention to a statement made by John C. Seager, jr., the vice president and treasurer of the Seager Steamship Co., a leading American line, organized in 1907, and having operated American-flag ships to various European ports in the sharpest competition in the world. Mr. Seager is an American citizen, the son of John C. Seager, sr., the president of the company, who is said to be the oldest and one of the most highly esteemed shipping men in New York. In an article appearing in the *Nautical Gazette*, May 13, 1922, Mr. Seager is quoted as follows:

The success of the mercantile fleets of European nations can be largely attributed to the fact that the people of the various countries support their ships.

This end is achieved by a different method of financing from that which prevails in this country. In the United States our shipping industry is conducted by what we might term a closed corporation. By that I mean that the companies operate their ships on private capital which is usually subscribed in large blocks. The result is that only a comparatively few persons in this country are interested in our merchant marine and that a large majority of our population is not ship-minded.

Steamships purchased at the present time can be operated at a profit; foreign owners are not losing money, and there is no reason why an American owner can not make a profit with his ships. The most potent factor militating against the successful operation of American ships is the large overhead which is incurred by the payment of large salaries to unnecessary executives. With few exceptions in Britain there are no large salaries paid to steamship men in Europe, and if this example were followed in this country the balance sheets of the industry would make a better showing.

#### VIEWS OF PHILIP MANSON.

While I shall not take time to quote, yet I especially call attention to the statement of Philip Manson, president of the Pacific & Eastern Steamship Co., and one of the best-informed men on shipping in the United States (hearings, 1623-1701). Mr. Manson presents a very strong array of facts and makes a very illuminative, intelligent, and logical statement to the effect that subsidies are merely a premium on waste, extravagance, and inefficiency, and that by the employment of efficient methods American steamship lines can succeed, as those are succeeding which employ such methods, even in a moderate degree.

#### VIEWS OF EDWARD N. HURLEY, FORMER CHAIRMAN UNITED STATES SHIPPING BOARD.

When Edward N. Hurley was chairman of the Shipping Board, said board through various committees made an intensive study of our merchant-marine problem. Mr. Hurley published a volume entitled "The New Merchant Marine," which contains much valuable information on the subject and which can be read with profit by those desiring to solve this problem.

The following extracts are taken from his final report to the President, made July 31, 1919, by Edward N. Hurley, chairman United States Shipping Board, to wit:

The wage and subsistence items combined constitute at the maximum 12 per cent of the total operating expenses of a ship. I cite it not particularly in refutation of the argument that high wages furnish any valid reason why a high-wage ship can not compete with a low-wage ship but rather to show how superficial is the chief argument that has been advanced to prove the contention that it is impossible to operate ships under the American flag. The other arguments on their very faces are equally superficial, and in the case of inspection laws, etc., they can be easily corrected the moment it is affirmatively shown that they are unwise. At the same time, it may be worth while to note in passing that none of these alleged handicaps seem to have prevented the Red D Line from doing a successful business under the American flag between New York, the West Indies, and Venezuela during the last thirty-odd years; nor have they interfered with the prosperity of the Atlantic, Gulf, and West Indies Co., whose vessels also fly the American flag. The successful competition of the American-flag ships of W. R. Grace & Co. with the powerful British P. & O. Line in the South American trade has been a matter of common knowledge for many years; and last, but perhaps most significant of all, is the fact that the vessels of the Pacific Mail Steamship Co., flying the American flag, have successfully met the competition of ships paying the lowest wages on earth in the trans-Pacific trade for about 70 years.

Of much more importance than the wage-and-subsistence item, which is not over 12 per cent of the total operating cost, is the coal-fuel item, which ranges between 30 and 40 per cent of the total. Here the advantage is heavily in favor of the ship which takes her coal in an American port. The use of oil fuel turns coal-bunker space into revenue-earning cargo space, gives a larger steaming radius, and also reduces the propelling cost per mile. Here, again, the American merchant marine as a whole has a really worth-while competitive advantage, because it contains a greater percentage of oil burners than any other merchant marine in the world. Also the matter of effecting a quick turn around offers an opportunity for turning costly idle days into money-making days at sea which is not yet fully appreciated and which American ships are free to use their initiative in developing by planning their voyages and arranging for return cargoes in advance.

I cite these suggestions and recommendations in detail chiefly to show the prevalent habit of accepting conditions as stated simply because for many years they have been so stated. It is quite difficult to understand why our shipping people, if truly American, continue to argue against our ability to operate in competition. Two of the most striking characteristics of the letters I received were the apparent absorption of the writers in operating details and the obvious disinclination to dig below the surface of the problem. For instance, the expressed fear of competition from ships carried on owners' books at \$20 or \$30 a ton is wholly without justification. A vessel which had been written down to that figure would be old and worn, costly to operate, often laid up for repairs, and not at all comparable with a new modern ship, economical to operate, and having a long life of usefulness in prospect. Such an argument is the last thing one would expect to hear from a steamship man at this time, when every shipowner in the world is at his wits' ends for time and shop facilities with which to recondition his vessels after the continuous, hard, racking service to which they have been held and driven during the war.

But this is not the whole story. Superimposed upon the classification and insurance restrictions has been the heavy burden of universal overcapitalization. This process began when the steamship companies were hard pressed during the trade slump which followed the panic of 1873. Very few companies seem to have escaped overcapitalization, and most of the new ones seem to have been systematically "watered" almost as soon as they sprang into existence.

I have before me a 200-page analysis of the annual financial statements of representative steamship companies of all nations covering a period of 20 years. The collator remarks that many of the statements seem to have been prepared with the idea of showing the position of the company "as it is not." However, practically all of them whose statements are sufficiently complete to admit of intelligent interpretation show degrees of overcapitalization, indicating that they are obliged to find money to pay dividends on stock issues which are from 10 to 40 per cent in excess of all the property value they can show. A recent statement of one American company frankly admitted that its capitalization of \$11,000,000 consisted of \$5,000,000 in "tangible assets" and \$6,000,000 of "good will."

When we can get both the insurance and overcapitalization handicaps out of the way I expect to see the merchant marines of other countries worrying about their ability to compete with American ships, and the arguments about our inability to compete with foreigners will disappear.

#### ORGANIZATION OF STEAMSHIP COMPANIES.

From a close study of world shipping and from the experience of the Government since the slow return toward commercial conditions begun last autumn, I am convinced that ships can be operated to maximum advantage only when the individual fleets are of such size that the management can give careful personal attention to every detail and all the potentialities of each voyage. I believe, and all my colleagues and associates in the Shipping Board agree with me, that when an operating organization exceeds this size its routine becomes too complicated and its reactions too slow; the comparatively few big, competent brains of the organization do not have the time to bestow the proper attention upon the details and potentialities of each venture; too much of the planning and bargaining is left to relatively inferior subordinates whose names and personalities mean nothing to customers, either at home or abroad; profitable business opportunities are overlooked; personal contact with customers is to a large extent lost; and many forms of lost motion and other kinds of wastefulness are certain to germinate, develop, and multiply.

#### ADVANTAGES IN FAVOR OF AMERICAN SHIPOWNERS.

Advocates of ship subsidies talk much of alleged disadvantages of American shipowners, but totally ignore the advantages in their favor. Some of the advantages operating in favor of American shipowners may be summarized as follows:

1. The very great advantage of oil burners over coal burners, as previously explained.
2. The Shipping Board vessels are already being offered at very low prices, and will probably be sold as a whole at even lower prices, so that American owners will have the advantage of a very low first cost, very much lower than such ships could have been constructed for anywhere even before the war, and



much lower than reproduction cost at any time in the future, either here or abroad. They would be purchased at much lower prices than the overwhelming bulk of foreign tonnage cost.

Does it not constitute sufficiently generous aid to sell the ships at such low prices and on 15 years' time, as already authorized by law? As American owners even in normal times profitably operated ships costing from three to five times as much, is it not reasonable to assume that either those same operators or other purchasers could successfully operate these ships at the low prices indicated?

3. Our Shipping Board vessels are new and modern, whereas an overwhelming percentage of foreign ships are getting old.

Nearly all of the Shipping Board ships have been completed since the armistice. The deliveries were as follows: For the fiscal year ending June 30, 1918, 218 ships; 1919, 854 ships; 1920, 1,002 ships; 1921, 218 ships; 1922, 23 ships, as reported by the Shipping Board. Nearly all of the foreign merchant ships were constructed prior to the World War, so that they are practically all more than 8 years old. In fact, a large percentage of the world's tonnage is now over 15 years of age. The importance of this comparison is seen when it is understood that the average life of a ship is 20 years, and Homer L. Ferguson testified that the average useful life of a ship was 14 years, because of the expensive repair bills accruing after that time.

Edward P. Farley, vice president United States Shipping Board Emergency Fleet Corporation, in charge of ship sales, stated at the hearings:

Mr. CHINDELOM. Britain has enough ships now to handle her trade? Mr. FARLEY. Yes; but always people want—a good operator wants the most modern and the newest type of ships. The minute a good operator finds business improving he wants to get rid of his old ships and replace them with more modern ships, knowing there is going to be another drop in values, and the modern ship can operate profitably when the older ship can not.

Mr. DAVIS. You spoke about our ships being modern. I will ask you, in that same connection, if it is not a fact that a very large percentage of foreign fleets are not only not modern but are either old or getting old, practically all of them having been built before the World War?

Mr. FARLEY. Well, 400 British ships, or more, were built during the war; but you are correct as to the large percentage. (Hearings, pp. 2045, 2058.)

Mr. Farley had just returned from an extensive investigation of maritime conditions in Europe at the instance of the Shipping Board.

With respect to the quality of our Shipping Board vessels, Mr. James A. Farrell declared in the first address previously mentioned, as follows:

The steel ships were well constructed, and with few exceptions compare favorably with the work of the best builders in any country. While we may only surmise what will ultimately become of the wooden ships which were built as a result of the dictates of military necessity, and in response to the appeal of our associates for ships, and more ships, the fact remains that our steel ships are fine examples of the skill of American mechanics.

In this same connection we must not lose sight of the fact that 80 per cent of our Shipping Board vessels are oil burners, whereas 90 per cent of foreign ships are coal burners.

4. Our immense coastwise trade is reserved exclusively for American-flag ships, whereas the extensive coastwise trade of Great Britain and between Great Britain and her colonies has been open to the ships of all nations without any restrictions whatever since 1853. On the importance of our coasting trade, I quote from Government Aid to Merchant Shipping, by Grosvenor M. Jones, a publication of the Department of Commerce, issued in 1916, as follows:

The coasting trade of the United States includes not merely the trade along the Atlantic, Gulf, and Pacific coasts of continental United States and between the Atlantic and the Pacific coasts, but also the trade between continental United States and Alaska, Hawaii, and Porto Rico. The distances traversed by many of the ships in the coasting trade of the United States are greater than the distances covered by many of the ships in the foreign trade of European nations.

It is probably safe to say that the freight tonnage carried in the coasting trade of the United States exceeds the total freight transported in all the ships of any other country, with the possible exception of Great Britain.

No other country has such extensive stretches of coast with so many valuable ports that are of easy access and open at all times of the year and such varied commodities seeking water transportation.

The United States has a greater number of important ports than any other country in the world. The freight available for coasting trade is enormous.

Stress has been laid on the importance of the United States coasting trade, chiefly to emphasize its value to American shipping. Too often the extent of the coastwise commerce is overlooked or minimized and little or no account is taken of the fact that the vessels engaged in this trade are for the most part as efficient as vessels in the overseas trade of foreign countries; that many of the coasting vessels of the United States are, in fact, strong ocean-going craft that travel long distances on the open seas; and that many of them can be used effectively in the trans-Atlantic trade, as has been demonstrated since the outbreak of the present war in Europe.

While the coastwise shipping of the United States has been developing rapidly, the actual tonnage registered for the foreign trade has on the whole declined. Nevertheless—and this is a fact too often ignored in discussions as to the strength of the American merchant marine—the potential tonnage has increased steadily since 1880. And in this connection it should be remembered that the strength of a merchant marine is more accurately stated in terms of potential tonnage than in actual tonnage, since the former takes account of the greater efficiency of steam tonnage, which is commonly estimated as being three times that of said tonnage. (Pp. 30-33.)

A large number of the ships engaged in foreign trade also engage in part in coastwise trade. Furthermore, a large number of ships engaged exclusively in our coastwise trade are entirely suitable for foreign service and so available in case of national emergency. In fact, a large number of such ships were so utilized during the World War.

5. There is a very material advantage in favor of American shipowners as compared with British shipowners by reason of the fact that under the respective maritime liability laws of the two Nations British shipowners are held to much stricter accountability for the loss of life or property. This is a very important difference and, fully explained on pages 607 and 614-616 of the hearings.

6. Tonnage taxes in the United States are much lower than those of foreign countries, and will still be much lower if our tonnage taxes are doubled, as provided in the pending bill. Upon this point I quote from page 605 of the hearings as follows:

Mr. LISSNER. Their tonnage taxes are almost universally much higher than our own; are much higher than they would be if doubled, as proposed in the act.

Mr. DAVIS. Do you mean the taxes on their own tonnage are greater than our taxes on our tonnage?

Mr. LISSNER. I understand, so far as I am informed, that the charges for tonnage taxes abroad are the same in most instances for their own vessels as they are for our vessels, but they are uniformly higher than the taxes that we charge to our own and to foreign vessels in our ports.

7. American shipping interests are not required to pay various fees for measurement of tonnage, issuing licenses, and for the performance of various other services by collectors or other officers of customs, inspectors, and shipping commissioners, which all foreign countries charge their shipping interests. All of those fees were repealed by act of July 1, 1886, but the present Commissioner of Navigation recommends the enactment of a bill restoring those fees, and estimates that it would net the Government between \$1,000,000 and \$1,500,000 a year. For a full explanation see hearings, pages 615, 616.

#### PROFITS OF AMERICAN SHIPOWNERS.

A large amount of evidence was introduced at the hearings showing that American shipowners made good profits before the war and made fabulous profits during the war. (See especially hearings, 1658-1719, 2217-2241, 2470-2475.) Some of those enormous profits are enumerated in the minority report on this bill. None of the evidence mentioned has been questioned or refuted by anybody. There is no evidence whatever that American shipowners did not operate profitably before the war or that they did not profiteer during the war upon their Government and the public to such an extent that they made outrageous profits; and there is no evidence in the record that private shipowners have not made money since the war or that they are not doing so now, even though we are passing through the worst depression in the history of shipping. Of the eight steamship owners who testified at the hearings, none of them claimed that they were even now losing money in the operation of their ships or that they had lost money prior to the war. They were questioned about it on cross-examination, and some of them admitted that they are making some profit now and made a profit last year, although some few stated that they were about breaking even at this time. In view of the fact that there was a large amount of evidence to the effect that American shipowners could and were operating profitably, and no evidence to the contrary, some of us felt that as the shipowners were asking such enormous subsidies they should be required to give the committee and the Congress the actual facts. H. H. Raymond, president of the American Steamship Owners' Association, who appeared in behalf of this bill, flatly refused to disclose what his salaries were as president of several shipping companies. Winthrop L. Marvin, vice president and general manager of the American Steamship Owners' Association, the real father of this bill, who has taken a most active interest in its behalf from the beginning, appeared as a witness at the hearings. The following propositions were propounded to him:

Mr. DAVIS. Mr. Marvin, the private operators of which you are a representative are asking the people to pass a bill that will result in the payment of very large subsidies, predicated upon the claim that you can not compete with foreign ships, and you want the mass of the people to make up the difference. Now, many high authorities with just as much experience and knowledge of these matters as any who have testified insist that the question of wage and subsistence differ-



fial and the other matters pressed by the proponents of this bill are overcome by advantages that obtain in favor of American operators, and that these matters do not constitute the real difficulty; and they state that the real difficulty is that the American companies have been overcapitalized, have paid excessive salaries, have been extravagant and wasteful in their methods, that they have not employed the same efficiency as England and Germany and other nations, etc.

It is furthermore insisted with regard to charges growing out of capital investment that such enormous profits were made by the American private owners during the war that they not only repaid the original investment, including watered stock, and paid large dividends, but also laid up large surpluses, so that they will not now be burdened with interest, amortization, and depreciation charges, etc.

In view of these views that are urged by very respectable authorities, and in view of the fact that you gentlemen are asking for these bounties, do you not concede that the representatives of the people are entitled to know just what the facts are in these respects?

Mr. MARVIN. The representatives of the people, Judge, are absolutely entitled to know what the exact facts are in these and all other respects, but that is a pretty long question, Judge. I don't know that I can remember all of it, but I would like to ask you, in the first place, who these authorities are that have been conveying to the committee these insinuations against the American merchant marine? Who are they? I would like to know. I have never seen any authorities cited of that kind.

Mr. DAVIS. Oh, such men as Mr. J. H. Rosseter, Mr. E. N. Hurley, and various others that I do not now recall, and others who will be produced before the hearings conclude.

After much quibbling on the part of Mr. Marvin, the proposition was put up to him as follows:

Mr. DAVIS. Now, if these charges are untrue, this is the best opportunity you gentlemen have had to prove it, and here in this public hearing, in which you are asking these enormous benefits, I want to know if you are willing to show the facts? In other words, I want to know if a representative of each of the members of your association is willing to appear before this committee and lay their cards on the table and not hide behind any such pretext as that these matters are personal? And I want to know if they will come prepared to give full and definite information as to the organization, capitalization, assets, liabilities, when the ships were bought, and the prices paid, and their age, and at what they were capitalized; the annual profits or losses of the company, the dividends paid, the amount added to surplus, the bonds paid, salaries paid, facts with regard to subsidiary and affiliated connections, and dividends, etc., of these concerns?

After much more quibbling and dodging, in which certain members of the committee came to his relief, the matter was finally concluded, as follows:

Mr. DAVIS. Now, Mr. Marvin, what is your answer?

Mr. MARVIN. I am entirely willing to submit to the association any request that comes from the committee. (Hearings, 1063-1065.)

It is needless to state that the said requests were not complied with. We heard no more from it. However, I am curious to know whether or not a majority of the sworn representatives of the people will vote these enormous bounties to these shipowners in the face of these facts. If this bill passes, what will result is fairly represented in the announcement taken from Town Topics Financial Bureau, of New York, in the special curb market bulletin of October 24, 1922, as follows:

#### AMERICAN-HAWAIIAN STEAMSHIP.

American-Hawaiian steamship sold at 20 yesterday and picked up around this price; we regard it as a splendid buy for the moderate or longer pull. The company is in excellent financial shape and has a good history as a dividend earner and payer. The shares at present are paying 37½ cents quarterly, which means a yield of 7½ per cent. The passage of the ship subsidy bill, which now is considered probable, would mean a violent advance in this stock.

#### PROPOSED PLAN IN LIEU OF PENDING BILL.

The proponents of this bill, including the President, challenged its opponents to offer a better plan. Of course, it is not incumbent upon the minority to offer a substitute, and no plan which could be devised, even though admittedly perfect, would have any chance of being accepted by those who are bent upon this raid on the Public Treasury. However, as I stated I would, I, for one, present a definite, specific, concrete plan, features of which I have already discussed, and which plan is briefly summarized, as follows:

1. Abolish the Shipping Board and Emergency Fleet Corporation.
2. Appoint a by-partisan congressional committee to investigate and cull out all useless employees of the Shipping Board organization.
3. Place one responsible man at the head of the remaining organization and of our shipping affairs.
4. Cancel all MO 4 contracts and lease the ships now in operation on trade routes under bare-boat charters, or, wherever that may be impossible, place such trade routes in charge of salaried managers.
5. Transfer a goodly number of our ships to the Army and Navy transport services for use in case of emergency.
6. Employ a liberal policy in the payment of compensation for the carriage of our ocean mail, employing American ships as far as possible, all of which is fully authorized by the act of 1891, now in force.
7. That foreign-built ships owned by American citizens be permitted to register under the American flag.
8. The repeal of tariff duties on all shipbuilding materials, and the repeal of all restrictions against the use of imported materials in our ship construction.

9. A tariff for revenue only. A tariff which is so high as to prevent the importation of foreign goods and which in turn cuts down our exports because of inability of foreigners to pay for our products with their own, will naturally diminish our foreign commerce and militate against our merchant marine, as previously explained. Of course, I do not expect those wedded to a high protective tariff policy to look with favor upon this recommendation.

10. The establishment of oil stations wherever they would be needed by our Navy and our merchant marine.

11. Our shipowners must establish efficient organizations at home and shipping agencies and connections abroad.

12. Our merchant marine should have the full cooperation and aid of our Bureau of Foreign and Domestic Commerce, commercial attachés, radio service, and other Government functions.

13. American shipowners should eliminate overcapitalization, squeeze out watered stock, cut out wasteful overhead, get rid of useless officials, reduce the exorbitant salaries of many executives; in other words, get on a sound, economical, business basis.

14. American shipowners should forever stop begging for public bounties, and should apply themselves to effecting the results just suggested. They should quit disseminating the false doctrine that Americans are not competent to succeed in the maritime industry without subsidies.

15. The American public should loyally support the American merchant marine, as do the nationals of other countries. They should ship and travel on American ships whenever possible.

16. Strict enforcement of the seamen's act, particularly sections 4 and 13, which will insure and maintain an equalization of wages on American ships and on foreign ships operating to and from our ports, as shown in the minority report, and more fully shown in the hearings by William S. Brown (pp. 1218-19), Capt. John H. Pruett (p. 1230), and by Henry Howard (p. 1256), and by other witnesses introduced by the proponents of the bill, and as is conclusively shown by the officers of the Seamen's Union, Andrew Furuseth (pp. 1263 to 1330) and Patrick O'Brien (pp. 1853 to 1942).

The adoption of and compliance with the foregoing suggestions, even to a reasonable extent, will insure the full establishment and the permanent maintenance of a sound, healthy, successful, privately owned American merchant marine, fully adequate for all of our needs in peace or war; and it will do it without the adoption of a single vicious policy or a single additional burden upon the taxpayers of the country.

I have consumed more time than I should. I appreciate the patient hearing accorded me by Members on both sides of the Chamber. I wish to thank my colleagues on the committee for their indulgence and all the Members for their patience. [Applause.]

The CHAIRMAN. If the committee will indulge the Chair a moment, the Chair wishes to say that during the remarks of the gentleman from Tennessee [Mr. DAVIS] the Chair was called upon to rule in regard to a Member occupying more than one hour on the floor. At that time the Chair stated that in his ruling he had followed the precedents. At this time the Chair would like to secure the privilege of inserting the references to those precedents in connection with the ruling just mentioned. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. KIRKPATRICK].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 30 minutes.

Mr. KIRKPATRICK. Mr. Chairman and gentlemen of the committee, in what I have to say I shall try to confine myself to a discussion of the section of the bill dealing with the payment of the direct subsidy.

This provision is contained in Title IV, and it is the corner stone of the policy embodied in this bill. Any nation which proposes to aid its shipping must do so in one of two ways: Either by indirect aid, which includes favorable legislation and preferential duties, or by the payment of a direct subsidy.

Now, we tried the first of those two methods in the Jones Act. The Jones Act contains just about the maximum which can be expected of legislation in the nature of indirect aid. But, unfortunately, we were unable to get the benefit of the principal provision on which we had relied in the Jones Act, and that was section 34, which provided for the denunciation of treaties so that Congress could go ahead and enact preferential duties.

The keystone of the Jones Act having fallen, if we really mean to aid our merchant marine we must turn to the other



alternative and adopt a policy of direct aid, and that is what we are doing in this bill.

The principal operative sentence of the whole bill is found in section 403, providing that—

The board is authorized and directed on behalf of the United States to enter into a contract with any person, a citizen of the United States who is the owner of a vessel, for the payment of compensation in respect to such vessel.

Now, the first question which is of interest is the rate of that compensation, and if we observe the provision as to the rate of compensation contained in the next section we will note that it provides for a rate of compensation based upon three things, namely, a combination of the size of the vessel, the distance traveled, and the speed of the vessel. It provides for a flat rate of one-half of a cent for each 100 nautical miles traveled per gross ton of the vessel. That is the basic rate, and then in addition there is a gradually ascending scale and additional payments to be made to vessels, based on their speed, as they increase their speed over and above 12 knots an hour.

Now, the underlying theory of that scale of payment and of that system is that it is necessary for our merchant marine, in the condition in which we now are, to develop large, fast passenger liners. We have plenty of tramps. We have plenty of the ordinary slow cargo vessels. We have plenty of tankers. But the thing in which we are woefully lacking, the thing that is absolutely necessary to the development of any well-planned merchant marine, is a fleet of passenger liners, and that is what this additional compensation for speed is intended to develop.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question? Will it interrupt him?

Mr. KIRKPATRICK. I yield to the gentleman.

Mr. BANKHEAD. As I gather from the gentleman's statement, the main incentive for the application of this subsidy is to develop these fast liners?

Mr. KIRKPATRICK. That is the purpose for the additional subsidy for high speed.

Mr. BANKHEAD. Can the gentleman tell us how that is going to be of assistance to the farmers and the American interests that will be subserved?

Mr. KIRKPATRICK. The basis of our foreign trade must be liner service. The tramp service is valuable, but the basis of the development of the foreign trade is liner service, and the farmers and everyone else in the country will benefit, in my opinion, by the development of our foreign trade.

Now, what is the situation in regard to our ships as compared with those of other nations of the world in regard to their speed and type? The United States merchant marine to-day has 92 per cent of her ships under 12 knots an hour speed and 8 per cent over 12 knots. Japan has 81½ per cent of her ships under 12 knots an hour and 18½ per cent of her ships over 12 knots an hour; and Great Britain, our greatest competitor, has 72 per cent of her ships under 12 knots an hour speed and 28 per cent of her vessels over 12 knots an hour in speed.

Now, I want to show you just how this compensation is going to work out in the case of certain vessels which I had selected for the purpose of showing the various types of ships and what they would earn. Take the first, the case of a large passenger ship, the *George Washington*, one of the finest ships in our fleet to-day. She makes 19 knots an hour, and her tonnage is 24,000. If she makes 12 voyages in the course of a year she will earn in that year under the rate of compensation provided in the bill \$306,000.

Take another vessel, the *American Legion*, the picture of which is exhibited in the lobby, a fine type of ship, what is called a 535 ship, plying to South America, 14,000 tons in size, steaming 18 knots an hour; if she makes six voyages in the course of a year she will earn \$170,000. The *President Harrison*, a smaller ship of the 522 type, cargo liner with passenger accommodations, making 15 knots an hour, with a tonnage of 10,500; if she makes five voyages in the course of a year she will earn \$68,000.

Here is the *West Farralone*, of 8,000 tons in size, making 10 knots an hour. If she covers 15,000 miles in the course of a year, which would be the average mileage for such a ship, she will earn in direct compensation \$18,000.

Of the smaller cargo type is the *Lake Gilboa*, a 9-knot ship of the tramp type, 2,100 tons. If she makes 12 trips in the course of a year she will earn \$2,800.

The compensation is also payable to sailing vessels, with this distinction, that the power-driven vessels of between 5,000 tons and 1,500 tons all receive a constructive tonnage of 5,000 tons in figuring out the compensation. That is, all those smaller ships under 5,000 tons are rated as of 5,000 tons for the purpose of figuring the compensation. This is because there is very little difference in the pay roll of a power-driven vessel of

between 5,000 tons and 1,500 tons. Under the shipping regulations of the United States there is comparatively little difference. That does not apply to sailing vessels, however. Sailing vessels receive their compensation directly, based on their tonnage, and they receive it down to 1,000 tons.

At this point it would be well to clear up some confusion about the amount of this direct subsidy. I am not talking about the net result of the various indirect aids which are provided for by this act; but if this act went into effect to-morrow, and if the next day every ship now operated by the Shipping Board passed into private hands and received a direct subsidy, the direct subsidy alone to those vessels would amount to \$8,500,000.

Mr. BANKHEAD. Will the gentleman permit me to ask him a question?

Mr. KIRKPATRICK. Yes.

Mr. BANKHEAD. I dislike to interrupt the gentleman.

Mr. KIRKPATRICK. It will not interrupt me at all.

Mr. BANKHEAD. Does not your bill provide that 10 per cent of all customs receipts shall be turned into this Shipping Board fund?

Mr. KIRKPATRICK. Yes.

Mr. BANKHEAD. It is estimated that \$450,000,000 will be derived annually as customs receipts under the present tariff bill. That revenue of \$45,000,000 is to go into this fund, is it not?

Mr. KIRKPATRICK. Yes.

Mr. BANKHEAD. Is there any provision by which any of the excess out of that fund over the \$15,000,000 you suggest will be turned into the Federal Treasury?

Mr. KIRKPATRICK. There is not in the bill.

Mr. BANKHEAD. What becomes of it? Does not the Treasury lose the benefit of that amount of customs receipts?

Mr. KIRKPATRICK. Not necessarily.

Mr. EDMONDS. Will the gentleman yield?

Mr. KIRKPATRICK. Yes.

Mr. EDMONDS. The gentleman from Alabama [Mr. BANKHEAD] knows that at his own suggestion in the committee he thought a revolving fund was the only way it could be handled, and in a revolving fund the money will be left in the Treasury, and it is only a bookkeeping account.

Mr. BANKHEAD. It does not go back into the Treasury at all.

Mr. EDMONDS. Where does it go?

Mr. BANKHEAD. It is not available for ordinary Government purposes.

Mr. EDMONDS. It is available for ordinary Government purposes. As far as the money is actually concerned, the revolving fund becomes a mere bookkeeping charge and only goes out of the Treasury when it is drawn out. The gentleman knows that as well as I do. He has had the handling of revolving funds before.

Mr. KIRKPATRICK. As long as the money is not actually covered by any subsidy contract, it can be reached. It has not gone beyond the control of the Government.

Now, that \$8,500,000 would cover all Shipping Board boats at present operating. If in addition to that the day after the bill was passed every privately owned vessel made a subsidy contract with the Government, it would amount to \$6,500,000 more, making the maximum possible present direct subsidy about \$15,000,000. But that is not going to happen. Considerable time will elapse before the Shipping Board vessels pass into private hands.

Various statements have been made as to exactly what Chairman Lasker said, so I had occasion to look it up, and he said that in 30 months he expected that enough of the 400 ships now being operated by the Shipping Board to keep the present routes going would pass into private hands. Let us assume that he meant the whole 400. Still we can not estimate anything like \$15,000,000 of subsidy the first year. If we say half of that we will be somewhere near the truth.

Mr. GAHN. Will the gentleman yield?

Mr. KIRKPATRICK. Yes.

Mr. GAHN. Into what private hands? Were any interests named when he said they would pass into private hands?

Mr. KIRKPATRICK. No.

Mr. GAHN. Has the gentleman any idea who is going to purchase those boats?

Mr. KIRKPATRICK. No. Now, in that connection, the matter of the voyage losses and the question of getting these ships out of the hands of the Shipping Board into private hands was discussed by the gentleman from Tennessee [Mr. DAVIS], and I want to pause just a moment in the direct course of what I have to say, to call attention to one or two statements he made about the voyage losses. I am sure the gentleman from Tennessee [Mr. DAVIS] has been grossly misinformed as to the operations of the Shipping Board. The



statement was made that only a very small percentage of the \$50,000,000 annual loss of the Shipping Board was accounted for by voyage losses. That is only true in this sense: If you take voyage loss to mean simply the difference between the actual cash income and cash outgo of any particular voyage, then it is correct that not a large percentage of the \$50,000,000 loss is due to voyage losses. But every business man knows perfectly well that in estimating operating losses, which is the thing we are talking about, you must take into account so much of the overhead as is chargeable to operations. You must take into account repairs. You must take into account betterments, and those things are totally ignored by the gentleman from Tennessee [Mr. DAVIS] when he makes the statement that only a small percentage of the \$50,000,000 is accounted for by voyage losses. As a matter of fact, a very large proportion of that \$50,000,000 is accounted for by operating losses, and that is the thing we are trying to cut down.

The statement was also made that the Shipping Board itself was extravagant in its operations, that it had failed to curtail the number of its employees, that it was employing 8,280 employees, most of whom were useless. I have here the facts upon that question.

On June 15, 1921, the Shipping Board had in its employ 8,324 employees. The total of their salaries was \$15,861,400.

On July 1, 1922, the Shipping Board had in its employ 5,083 employees at a total pay roll of \$10,519,242, or a reduction in the first year of the present Shipping Board control of 3,241 employees at an expense of \$5,342,155.

Mr. BLANTON. Will the gentleman yield?

Mr. KIRKPATRICK. I will.

Mr. BLANTON. Is the gentleman prepared to state that none of these vacancies have been refilled since July 1, 1922?

Mr. KIRKPATRICK. I might say that there has been some slight increase since then; but on October 21, 1922, there were 4,948 employees at a salary of \$10,019,261, and there has been since that date a further reduction. So that we have now a reduction of about 4,000 employees between June 15, 1921, and the present time.

Mr. McDUFFIE. Will the gentleman state whether that was due to the discontinuance of the operation of vessels?

Mr. KIRKPATRICK. These are mainly office employees.

Mr. BLANTON. The gentleman is not prepared to state, however, that of the 76 lawyers that are employed by the Shipping Board at an average salary of \$11,000 a year any of them have lost their positions.

Mr. KIRKPATRICK. I do not think they have. I listened to the testimony, and I was of the opinion that there were no more than were necessary for the work that was to be done. Now, the gentleman from Tennessee [Mr. DAVIS] went on to argue from a statement made by Mr. Lasker, the chairman of the Shipping Board, that the expenses of operation would not be stopped by the sale of these vessels. Assuming that we can sell the 400 vessels in 30 months—and it is anybody's guess as to whether we can or not—it is the guess of the chairman of the Shipping Board that we can. I say that when these vessels are disposed of the great bulk of the operating expenses is going to cease. You must keep your operating force as long as you are operating ships, but you do not need to keep the operating force when you stop operating, even though you may have 800 or 900 ships undisposed of. The gentleman from Tennessee is confusing the question of ceasing the operation of the ships and the disposition of them. We have a lot of ships on our hands to-day that probably we will never be able to sell, but that does not mean that we are going to operate those ships. It may be that there are ships in the possession of the Shipping Board that it will be profitable to scrap. Of all the tonnage laid up to-day it is impossible for anybody to say how much is valuable and useful. You can not draw a straight line through your list of ships and say that all above that are good ships and all below are bad ships. I think that is an error that most of us are apt to fall into.

The fact is that whether much of the tonnage will be useful or not depends on world trade conditions. A ship may be a valuable asset under certain conditions of commerce and trade and the same ship may be simply a liability under other conditions. The fact of the matter is, and I do not think it can be disputed, that when you stop operating a ship the bulk of the operating expenses is going to stop. Mr. Lasker did say that there was not much difference in overhead between operating 400 ships and 1,200 ships, but there is a big difference in overhead between operating 400 ships and not operating any ships at all.

I have said that the purpose of a graduated scale of payment was to develop a type of large passenger and cargo liners. I am sure that that type is valuable in the world trade. In addition, it is above all things the only type of ship that is really valuable to the United States for use as a naval

auxiliary. The speed of a fleet is necessarily determined by the speed of its slowest ship. A slow cargo ship, a tramp steamer, is practically useless in naval operations to-day. If we are going to keep our Navy up to the 5-5-3 ratio, if we are going to compete with Great Britain at all in the matter of armament, we must develop liners for use as naval auxiliaries, and that is the theory of that portion of the bill.

Mr. GERNERD. Will the gentleman yield?

Mr. KIRKPATRICK. Yes.

Mr. GERNERD. These passenger liners are at the same time large cargo carriers?

Mr. KIRKPATRICK. Yes; they are all cargo carriers to a more or less extent.

Now, in order to be entitled to compensation, the vessel must have a certain status. It goes without saying that we want only to compensate ships flying the American flag. We also want to encourage the building of ships in the United States. In order to accomplish these purposes the bill limits the compensation to vessels built in the United States and flying the United States flag, with the single exception that ships already existing, built in foreign countries, may, with the consent of the board, within the next three years, be transferred to the United States flag and receive compensation. The purpose of this exception is to allow American owners to acquire certain particular types of ships which are greatly needed to-day. The net result is that no ship can be built abroad after the act and then transferred to American register and receive compensation.

There are certain other requirements that must exist in order to entitle a vessel to compensation. These are the restrictions appearing in sections 406, 407, 408, and 409. In order to make clear the reason for these restrictions, let me call attention to the broad aims intended to be attained by the act. We want to create a privately owned merchant marine engaged in foreign trade, owned by American capital, and manned by American labor. To this end are directed the various provisions referred to which determine the conditions under which compensation—the status of the vessel being satisfactory—is payable:

The vessel must be a privately owned merchant vessel.

It must be engaged in foreign trade.

The complicated definition of foreign trade contained in section 407 of the bill is due to the rather unusual situation of the United States and her island possessions with regard to the distance of the islands and their present lack of any great volume of trade. The next result of the section is that trade between the United States, Alaska, Porto Rico, and Hawaii is not considered foreign trade. Trade between the United States and the Panama Canal Zone is considered as foreign trade. In the case of Hawaii an exception is made where the vessel to be compensated trades between the United States and a foreign port touching at Hawaii. In such case, if the cargo or passengers destined to or from Hawaii is less than one-fourth of the total the vessel will not lose its compensation.

In addition to the above, section 408 provides for the compensation of tramp ships, provided a call is made at a port of the United States once a year, and also what are known as feeders, small boats which ply between foreign ports collecting cargo for American ships engaged in foreign trade. There is no reason why these types should be excluded, as they are both builders of our commerce.

Compensation shall be paid only while the person or corporation which owns the vessel is American. This is provided for in section 409, and the provisions contained in that section for determining the nationality of the control of any corporation have been taken from the United States Treasury Regulations.

In addition, it was deemed unwise to pay compensation to an American owner unless his major interest was in American shipping and American trade. As a result, this section provides that even though the ship and the owner be American, compensation shall not be paid unless at least 75 per cent of the owner's shipping flies the United States flag.

Lastly, the crew must be substantially American. There is no use in building or maintaining a merchant marine if we are compelled to man it with foreigners, and no lasting benefit can be derived from a marine so operated. Section 406 provides that the crew of any ship which applies for compensation must be at least two-thirds American citizens and the remainder can not be Chinese or Japanese. During the first two years after the enactment of this act some slight leeway is given in order to permit necessary adjustment of present labor conditions. In addition, the provisions of the act are suspended as to the steward's department of passenger ships, it being impossible to obtain a sufficient number of American citizens in these departments.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. KIRKPATRICK. Yes.



Mr. LONDON. On the subject of American ownership, will a corporation organized under the laws of any of the States of the Union or of the District of Columbia be considered American for the purposes of this bill?

Mr. KIRKPATRICK. I so understand.

Mr. LONDON. Irrespective of who may be the stockholders?

Mr. KIRKPATRICK. There is a provision—section 401 (a)—that the term "citizen of the United States" shall have the meaning given it by the shipping act of 1916. That act requires the controlling interest in such corporation to be owned by Americans in order that such corporation may be considered a citizen of the United States. [Applause.]

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. CHINDBLOM]. [Applause.]

Mr. CHINDBLOM. Mr. Chairman and members of the committee, the majority members of the Committee on the Merchant Marine and Fisheries some time ago agreed upon a division of the subject matter of this legislation, and it fell to my lot to give particular attention to the question of the so-called differentials in the cost of construction and of operation. Two of my colleagues, who are opposed to the bill, have given some attention to this subject. I think many of the Members of the House were surprised to learn that anyone seriously contended that there are no differentials in the cost of construction and of operation of American ships and the ships under foreign flags. I dare say it has never been doubted or denied by any real, responsible authority up to this time that these differentials have existed and do exist. My very good friend from Alabama [Mr. BANKHEAD] dismissed the question of the wage differential by a discussion of the seamen's act and of the observations of Chairman Lasker upon that act. The purpose of the seamen's act was to create greater safety for crews and passengers on board ship, and also to increase the number of seamen and unlicensed crews as well as to improve their living and subsistence conditions on American ships. All of these, while salutary in purpose and effect, did create increased charges against American ship owners and operators. It is not argued, nor is it the purpose of this bill, that any of the conditions created by the seamen's act shall be abrogated or in any sense reduced in scope or effect. That fact is proven conclusively by the circumstance that the committee made no suggestion whatever for any amendment of the seamen's act. On the contrary, this bill will strengthen and enlarge the purposes of the seamen's act, particularly through those provisions which require the further Americanization of the crews.

Two-thirds of the crew upon every vessel which receives any benefits under this act must be American citizens. There is no doubt that the employment of American citizens in ship personnel will tend to further increase the cost of operation, because American citizens will always require and should receive higher standards of living than any other nationals. However, the existence of differentials in construction and in operation costs against American ships follows not merely as the necessary logical result of American law and American living conditions, but is abundantly proven by experience and actual facts.

Mr. STEVENSON. Mr. Chairman, will the gentleman permit a question right at that point?

Mr. CHINDBLOM. I yield to the gentleman.

Mr. STEVENSON. Right on the point the gentleman is speaking of, on page 29 of the bill, subdivision (5), I find the following language:

During the first year after the enactment of this act the required number of citizens of the United States shall be one-half instead of two-thirds; and, during the second year, six-tenths instead of two-thirds.

Is that a modification of the doctrine of which the gentleman is speaking?

Mr. CHINDBLOM. It provides for an ultimate two-thirds, of course.

Mr. STEVENSON. After it has been on the books long enough to be repealed, then it may have the two-thirds.

Mr. CHINDBLOM. Does the gentleman expect this provision to be repealed?

Mr. STEVENSON. I do not expect it to be passed, as far as that is concerned.

Mr. CHINDBLOM. It will be passed, and I do not think it will be repealed. Of course, the gentleman is correct in one sense. If I should stop to discuss every single detail of the legislation, I would have to take a great deal more time than is available. It is a fact that while the ultimate purpose is that two-thirds shall become American citizens, for the first couple of years provision is made for a practical accomplishment of that result, and if the gentleman thinks I made a misstatement because I did not speak of those details, then I yield to his superior judgment in that regard.

Mr. STEVENSON. I was not accusing the gentleman. I thought he had overlooked the fact when he said there was absolutely no modification of the La Follette Act, because you suspend it for two years.

Mr. CHINDBLOM. We do not suspend it at all. The La Follette Act does not require Americanization of American crews. I say that we are enlarging that act and providing for more Americans in the crews of these ships than were ever provided for in any previous law. [Applause on the Republican side.] My good friend from Tennessee [Mr. DAVIS] a moment ago laid a great deal of stress upon the opinions of Mr. J. H. Rosseter. Although Mr. Rosseter did not appear at the hearings and was not heard by the committee, I happen to have a copy of a communication, I think of later date than anything quoted by the gentleman from Tennessee, from Mr. Rosseter, and I am going to take the time to read this communication. It is the communication to which my colleague, the gentleman from Pennsylvania [Mr. EDMONDS], adverted a moment ago.

It is as follows:

JANUARY 27, 1922.

Mr. PAUL SCHARRENBERG,  
Vice President International Seamen's Union of America,  
525 Market Street, San Francisco, Calif.

MY DEAR MR. SCHARRENBERG: This is to acknowledge and to thank you for the article entitled "Ship subsidy debate" appearing in the Seamen's Journal of 18th instant.

These questions remain of general interest to me, although I am determined to exclude from my future activities any active interest in shipping.

The whole question of American shipping is complex and difficult from the fact that, as a Nation, the question is not understood. Our form of government, or proceedings therein, make a practical solution very difficult, if not impossible.

I am free to concede that there are many questions on which people of experience may honestly differ in opinion. You know my views and I think you will concede that in all my dealings with the question I endeavored to take into account all interests concerned, to the end that we might actually establish and hold a fair share of foreign commerce under our flag. After a long and earnest effort, I have been forced to the conclusion that there is no hope of accomplishing a solidarity of opinion, and that we will gradually drift back to an inconspicuous and unworthy position in comparison with other nations.

The term "subsidy" is an unfortunate one and leads, as instanced in the debate to which you refer, to a state of almost hopeless misunderstanding in the public mind. Possibly you will recall an article I wrote to the Examiner in January, 1920, and that I therein endeavored to make clear what was required, viz, to substitute a policy of reasonable encouragement on the part of the Government in place of the chilling and discouraging attitude in vogue for several decades, resulting in the practical elimination of the American flag in foreign trade.

Our laws have effectively protected coastwise shipping in conferring exclusive right of operation. While this was well and good enough in a way, the actual result of such protection has been, in my opinion, prejudicial to the extent that it resulted in a frail and artificial condition.

On one point we must be agreed, and that is unless we can actually operate on equal terms with other nationals we can not hope to develop or maintain a merchant marine. Without ships the opportunity of following the sea as a livelihood is restricted and, in large measure, denied to our people. It is not to be disputed from our standards of living and civilization that Americans can not endure a scale of wages and living conditions acceptable to other nationals. Translated into practical terms this means, as you know, that expenses of operating under the American flag amount to \$10,000 and upwards of \$50,000 for wages and victualing alone in excess of our international competitors on each and every foreign voyage. Disregarding all other prejudicial conditions. How, then, is that to be overcome? To me it seems simple enough, but unhappily your organizations of seamen apparently encourage the idea that this or other forms of encouragement are to be classed as subsidy.

Disregarding entirely, if you will, the direct subsidy allowed by some nations, why can not the question be fairly considered from the standpoint of indirect encouragement provided by other nations in contrast with burdens imposed by our Government? Such a course is to be briefly described as encouragement in the form of—

- (a) Reasonable and proper mail compensation.
- (b) Relief from the burden of Federal taxation or a distribution thereof over a period of years, so that a fair average will permit carrying the benefits that may be derived during any prosperous period that may occur, to offset the losses and grief of lean years.
- (c) Rules and regulations to take care of extra cost of manning and victualing, in the form of an appropriation to provide and assure naval reserves.
- (d) Schedule of allowances according to size, class, and speed for the privilege and assurance of having ships in reserve for Navy and Army emergencies.

There are other reasonable and proper things that can be done in the way of encouragement to the benefit of national interests. Certainly such reasonable forms of encouragement can not be classified and denounced in the unpopular and onerous term of "subsidy."

I am thus addressing you on the impulse of the moment, but with some hesitancy and misgivings, as on no account do I desire to again be brought into public issue on this question.

With kind regards,

Yours very truly,

J. H. ROSSETER.

[Applause.]

Now, I submit that Mr. Rosseter can not be cited as an authority against every form of Government aid or encouragement, and with his experience, his wide experience, which has been vouched for by the gentleman from Tennessee himself, he goes to the extent of saying that on every foreign voyage our ships suffer a disadvantage in differential running to from



\$10,000 to \$50,000 for wages and subsistence. That is his view; that is his opinion after his many years of connection with the shipping business.

I asked the gentleman from Tennessee a question with reference to the amount of tonnage operating in the foreign trade by the various countries in 1914, and his reply was that our tonnage was exceeded only by Great Britain and Germany, and by Germany only to a small extent. I have the figures here, taken from the report of the Commissioner of Navigation of the Department of Commerce, showing that in the United States for 1914 the tonnage for the foreign trade was 1,066,288 tons. The total tonnage, including the coastwise trade, was 2,026,098, our foreign tonnage, exclusive of the coastwise tonnage, being, as I said, 1,066,288. For the same year, 1914, the United Kingdom had 18,892,089 tons; France, 1,922,286 tons; Germany, 5,184,720 tons; Japan, 1,708,386 tons; Norway, 1,957,353 tons; Italy, 1,430,475 tons. Of course, in the case of Great Britain, some of its tonnage was in what they call the coastwise trade, but the other countries have practically no such trade as what we call coastwise, so I think it is demonstrated by the figures that we were away below any of the other countries in 1914; that our tonnage was far below any of the other countries that have been enumerated. I do not think that is perhaps very material. It simply disturbs to some extent the roseate, happy, and prosperous picture which was painted by my friend from Tennessee with reference to the condition of American shipping. That was far the most exhilarating exhibition of conditions in American shipping I have ever heard. One would have thought that we were on the high road to prosperity in foreign shipping after listening to the descriptions of my friend from Tennessee.

Much has been said about the Republican position upon this question. I do not care whether it has been in a Republican platform or not. After long study of this subject by men who seriously wanted to solve it they reached the conclusion that now and here something must be done, and it is a very important question. My friend was somewhat disturbed about the sinister influence which Chairman Lasker might have exerted upon the President of the United States; that he had induced the President to take the position which he has taken in regard to this subject. Anyone who heard the really marvelous exposition of this matter by the President must have been convinced of his personal sincerity and of the absolute conviction in his mind as to the position which he has taken. [Applause.] It is a serious thing, Members of the Congress, for the Chief Executive of this Nation to be faced with a problem such as is facing him now; and while I have no right to make any suggestion to the gentlemen on the other side of the aisle, it does seem to me that it is most unfortunate and almost unworthy to make a suggestion of partisanship in the disposition of this matter. The gentleman from Tennessee [Mr. DAVIS] said with considerable force that no subsidy and no Government aid can create commerce or increase cargoes. Of course, that is true. But Government aid can secure for us our share of the commerce which exists. Government aid will not create commerce, except to this extent and in this way—that the better shipping facilities we have and the better able we are to supply the markets of the world, the more we will create markets for our own products, for which we will need tonnage.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. CHINDBLOM. For a moment.

Mr. GARRETT of Tennessee. May I ask the gentleman if it was not practically the last act at the last session of Congress, immediately before adjournment, to destroy foreign commerce in so far as the enactment of Congress was concerned and in so far as it was possible?

Mr. CHINDBLOM. Well, the gentleman from Tennessee, of course, makes the suggestion that the gentleman, his colleague from Tennessee [Mr. DAVIS], made. We on our side will never agree with you on the subject of a protective tariff. I presume the gentleman refers to a protective tariff. I will say this to the gentleman, this kind of legislation is of the same general nature and purpose as the protective tariff, and perhaps that is why it is a little hard for you to be reconciled to it. [Applause.] The purpose of this legislation is to protect and promote American commerce and American trade and American shipping by giving it necessary aid. You have always contended that a protective tariff is a robbery. You have always contended that a protective tariff is for special interests. You are making that same argument against this bill.

Mr. GARRETT of Tennessee. Well, it is true in both instances.

Mr. CHINDBLOM. The gentleman thinks it is. The gentleman, the distinguished leader of the minority, must think it is, or I know he would not say so. But let us not confuse the two propositions. I do not think the two belong together except that they run in parallel lines.

We have insisted that those who are opposed to this legislation should suggest some alternative, and my colleague on the committee, the gentleman from Tennessee, attempted to make some suggestions.

I wonder whether anybody thinks, whether anybody will be of the opinion, that the suggestions which he made really can accomplish anything like the purpose sought by this bill. I did not have an opportunity of writing down his suggestions as fast as he made them, but I did notice that he wanted a repeal of the law preventing the American registry of foreign ships. Of course, that would immediately throw us into open, direct competition, right in our own trade, with foreign ships; and how that could benefit the situation I believe even the gentlemen on that side will find it difficult to explain.

We have before us the alternative of continuing the present system or of making some change. When pressed for an alternative, our friends across the aisle say, "Let us continue this present system for a while, until world conditions improve, or until something else happens, and then let us try to devise some system different from this."

I think the people of the country pretty generally are getting quite tired of this continual postponement of action on important matters. Speaking for myself and with reference to our side of the House, I think we to-day would be better off if we had passed this bill six months ago, and if we had passed the tariff bill one year ago. [Applause on the Republican side.]

The people want action. Neither of these pieces of legislation is erroneous, but I believe the people are more disposed to forgive us if we occasionally make a mistake than they are to forgive us for continual procrastination and delay. You have nothing else on that side to suggest but delay. If you have any constructive proposition, let us have it; let us know what you propose to do with this fleet. Let us know how you propose to handle these ships. Let us know what substitute you have to offer for building up the American merchant marine rather than doing it in the way proposed by this bill.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. With pleasure.

Mr. EDMONDS. The gentleman from Tennessee proposed to investigate. [Laughter.]

Mr. BEEDY. And the gentleman from Tennessee undertook to say that he would get the Government out of the shipping business, but then concluded with facts to the contrary, and finally decided he would like to continue the Government Shipping Board, only he wanted the right to constitute its personnel.

Mr. CHINDBLOM. Yes. There was a suggestion about the appointment of the Shipping Board, and all that.

But I do not want to inject any partisan spirit into this discussion at all. I was quite impressed the other day when I received a document which showed the attitude of one distinguished member of the Democratic Party. Much has been said about our early experience in shipping. That has been very aptly described by the distinguished Senator from Louisiana, Mr. RANDELL, in a document which I believe has been delivered to all the Members of the House. However, I think it should go into the RECORD in this discussion. In a statement addressed to the National Merchant Marine Association recently, Senator RANDELL said:

I hear it stated from time to time that the Democratic Party can not support a plan of subsidy, because the policies of the party are fundamentally opposed to such a policy. History, however, shows us that the very reverse is true. Under the early shipping policies of the Democracy the American merchant marine was developed to a point of efficiency and power beyond the trade fleets of all other nations. Under the laws framed by the founders of the Republic we had discriminating duties in favor of goods carried in American vessels, and as a result of these we transported nine-tenths of our exports and imports under our own flag for many years. Just before the late war, however, conditions had become exactly reversed, and it was the foreigner who carried the nine-tenths of our ocean commerce.

What had happened? In the period from 1828 to 1850 we gradually gave up discriminations against the vessels of those nations which agreed not to discriminate against us. And then, when our hands were tied, foreign nations began to take up effectively the subsidization of their own vessels, and our sea power began to wane.

It was the Democracy which stepped into the breach at this crisis in American shipping affairs and initiated the American policy of ship subsidies. Two southern statesmen began it—Senator Thomas Butler King, of Georgia, and Senator Thomas J. Rusk, of Texas. Both advocated annual appropriations for the carrying of mails and the encouragement of American steamship building and navigation. President Polk stood strongly for this policy, and in 1845 and 1847 Congress passed legislation to this end. As to the effectiveness of this step inaugurated by the Democratic Party, let me offer some Republican testimony from the majority report of the Merchant Marine Commission of 1904-5. That body was appointed by Congress and headed by the late Senator Gallinger. The report says: "As a result of this enlightened statesmanship the United States from 1850 onward for several years built more ocean steamships than Great Britain did, and better steamships, superior in size, speed, power, and commercial value. . . . The national policy thus approved would doubtless have continued unbroken to the present day but for the fierce and deplorable sectional quarrel that immediately preceded



the Civil War. \* \* \* In the white heat of this quarrel the mail subventions were withdrawn, and the north Atlantic steamships, struggling hard with subsidized British rivals, were abandoned."

The report continues:

"It is sometimes said that this national effort to create a steam fleet by mail subventions failed of its purpose. But it failed only because the effort was given up in the very crisis of the contest. A few years more would probably have made our steamships as securely masters of the north Atlantic as our packet ships and clipper ships had been before them."

This tribute to subsidization, penned nearly 20 years ago, has an even greater bearing to-day than then, for now we have a mighty nucleus in hand for a mighty fleet. The ships are here, but they must be vested with competitive power before it is too late. Support of subsidy will not be an abandonment of Democratic policies, but a renewal of the very ones on which the American merchant marine was set forth on a voyage to sea supremacy that ended with the goal in sight, and only then because the sailing orders were canceled. Let us not make this mistake again.

I commend Senator RANDELL's views and the action of the distinguished Democrats of a former generation, to whom he refers, to the very serious consideration of gentlemen who, for party reasons, now feel constrained to oppose this legislation.

The best proof that we can not establish an American merchant marine under private operation without Government aid is the fact that it has not been done. [Applause on the Republican side.] American genius, American enterprise, American patriotism, have done all else. This alone is a problem in the solution of which we must meet not only the competition but the opposition of other nations. It is therefore a national problem, one which the Nation must solve as a sovereignty engaged in a contest with other national sovereignties, for all other nations treat their shipping problems as national, not to say international, problems.

We are told that there is no need for Government aid; in other words, in effect that this situation will take care of itself. Is not that, after all, the attitude of those who merely oppose the proposed solution and have no alternative to offer? The President has spoken. The Committee of the House has spoken. What will the House do? Avoid the issue by sophistry and skulking or assume some measure of their responsibility as Representatives of a great people?

#### DIFFERENTIALS IN COST OF CONSTRUCTION.

It has been deemed important in this debate to ascertain something certain with reference to the differentials against American shipping. Our principal competitor in building and equipping ships is England. Before the war—and I speak advisedly, because the records and the hearings bear this out—it cost approximately 25 per cent more to build American ships than it cost to build vessels of the same type and size in British shipyards. The cause of this difference lies almost entirely in the higher price paid for labor to American workmen. Formerly there was also an advantage in favor of Great Britain in the cost of materials, but most of those can now be purchased almost as cheaply on this side, on account of our ability to handle quantity production.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CHINDBLOM. May I have another 30 minutes, or 15? Mr. GREENE of Massachusetts. I yield the gentleman 20 minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 20 minutes more.

Mr. CHINDBLOM. Equipment and furnishings, in which the largest element of cost is labor, are still more expensive in the United States. Since labor constitutes one-half of the cost of a ship, and this cost is twice as great in the United States as in Great Britain, it will readily be seen that the differential of 25 per cent in the initial cost of construction is a conservative estimate.

Among the materials which are slightly cheaper in this country than in England are plates, forgings, and shapes, which in the main constitute the largest and simplest parts, while articles of equipment such as windlasses, winches, boilers, boats, and the like cost more in this country on account of the large element of labor involved in their production. Freight charges for hauling these materials are also greater in the United States on account of the longer distances over which they must be carried. With reference to wages, on January 1 last the average hourly wage in British yards at the rate of exchange then prevailing was 31 cents, while the corresponding wage in American yards was 58 cents. At the present time most of the American shipyards are closed down, and this condition of depression and lack of operation will make for inefficiency and loss of initiative when shipbuilding may again be resumed on anything like a normal scale.

I shall not take the time to quote some of the authorities which appear in the hearings. Even the opposition has quoted

Mr. Homer L. Ferguson, president of the Newport News Shipbuilding & Dry Dock Co., than whom there is no better authority on the subject, who makes the following analysis of the relative cost of shipbuilding in England and the United States:

If we assume the completed price of a standard freight ship constructed in American yards to be 100, we may take this as constituted as follows: Labor, 40; overhead, 20; and material, 40. Since about half of overhead is labor we can, if we prefer, express this as labor 50 and material 50. Of the 50 which represents the American cost of labor 55 per cent, or 27.5, will represent the British cost of labor. Of the 50 which is the American figure for material, no increase would give the same figure, 50, for the British material figure. The sum of the two would give 77.5 as the index for the British ship against 100 for the American. This would amount to a difference of slightly over 20 per cent of the American costs, and represents the figure which it is believed will closely approximate the permanent differential after the present exceptional conditions disappear.

Quotations secured last January from representative British and American shipyards, for instance, gave the prices on an 8,800 dead-weight ton cargo vessel, which is the average tramp type, as ranging from \$55 to \$65 in London and Glasgow, while for American yards the average was \$95 per dead-weight ton. This made a differential for new construction of the standardized cargo ship type of about \$35 per dead-weight ton, or over 36 per cent.

The initial cost follows the ship throughout its life and is an important element in the subsequent cost of operation. Landlords whose buildings were erected before the war at low prices of wages and materials have reaped enormous harvests in the increased rentals which they have been able to collect from tenants during and since the war. Buildings now being erected on the present schedules of wages and prices of materials will never yield an equal return on their investment to those which were built before the war. So also with ships. The initial cost is the capital investment or account upon which future earnings must be figured.

There are at least three continuous charges which depend upon the initial cost of construction. They are, first, the interest on the amount invested; second, the amortization or depreciation to be allowed on the investment; and, third, the cost of insurance. You will find in the hearings a large number of tables and statements with reference to this initial cost of production as well as the cost of operation. It would be impossible, I must confess, for the other side or for our side to make a presentation here of all those facts, of all those tables and statements upon which our conclusions are reached; but these statements show and these hearings show that these three items which I have just mentioned together involve annual costs or charges of from 15 to 20 per cent above the cost or book value of the vessel. On a typical 8,800-ton ship at \$30 per ton, each 1 per cent increase in the cost of capital amounts to a charge of \$2,600 per annum, continuing throughout the life or operation of the ship. It is estimated that the life of a ship is approximately 20 years. An average of from 4 to 5 per cent per annum must be set aside for amortization or depreciation. With a higher initial cost the amount of this depreciation charge must necessarily be correspondingly increased.

Another important element is insurance, and the differential between British cost of insurance and the American cost of insurance exists to-day notwithstanding the law to which my friend from Alabama [Mr. BANKHEAD] referred yesterday, which we passed six months ago. A higher rate of only 1 per cent on an 8,800 dead-weight ton ship with a valuation of \$30 per ton amounts to an annual increase of \$2,600.

These various items, the interest on the amount invested, the amortization or depreciation account, and the cost of insurance show, in the experience of American shipping men, a differential against the American and in favor of the British operator of from 3 to 4 per cent. The total annual excess of capital charges to an American owner over similar charges to a British owner can therefore be fairly stated at not less than 15 per cent on the excess of the initial cost, which in turn is at least 20 per cent of the total initial cost or, as stated, at least 3 per cent of the entire initial cost.

It is to be noted, also, that the higher wages paid to American labor follow the ship through every item of repair and maintenance cost where labor is employed in American ports or shipyards. For many reasons shipowners prefer to have at least substantial repairs made in their home ports or, at least, in the ports of the ship's flag. These repairs must be added to the capital account upon which interest or profit should be allowed and add another element of differential against the American shipowner. It has been estimated that repairs amount to from \$5,000 to \$15,000 per annum for a medium-sized tramp ship, and a minimum excess cost of 20 per cent

would amount to from \$1,000 to \$3,000 per year on an average cargo ship.

It is a well-known fact, also, that such administrative expenses as salaries of port staff, freight agents, and clerical force show higher figures in the United States than in foreign countries. These items are not included in what is ordinarily called and discussed as the wage scale of a ship, nor are they included in the compensation paid so-called executives in a shipping concern.

While British conditions have been used by way of comparison, it must not be forgotten that the British probably approach more nearly American wage conditions and costs of material than do other maritime nations, such as Japan and Germany.

When was it ever argued before that American workmen in American shipyards do not receive higher or better wages than are received in any other country in the world? And still that must be the basis of the argument here when it is said that there is no differential in the cost of constructing ships. We have boasted that our American scale of wages is higher in all branches of industry than anywhere else in the world, and it is. It is higher in the shipyards; it is higher in the repair yards; it is higher in the shops which manufacture the furnishings and equipments for ships. It is higher in every place, in every factory, and every shop where a single thing is produced which goes into the building or the equipment of a ship. It seems to me that without going into detailed figures, he who runs may read the story of the increased cost of construction of American ships.

#### WAGE DIFFERENTIALS.

I shall turn for a moment, because my time is running rapidly, to the matter of wages on ships. For obvious reasons it is somewhat difficult to calculate the differential in wages to a mathematical certainty, but men engaged in operating ships have had a uniform experience to the effect that the pay roll on an American ship is uniformly about 30 per cent higher than on a corresponding British ship.

This was true before the World War and is true now, although it is true also that before the World War we had a somewhat limited opportunity for comparison. A British wage scale is now in operation which is expected will be reduced within a very short time, but I have here with me some comparisons of the present wage scales in America and in Great Britain. You will observe the difficulty of this demonstration when I show you these sheets of paper upon which these tabulations occur. You will find these ships discussed in the hearings.

Here are two ships, one the United States Shipping Board vessel *Galesburg* and the other the *Ballygally Head*, a British ship. The American ship is 5,138 gross tons, 9½ knots, and burns coal. The British ship is 5,179 gross tons, 13 knots, and burns coal. The difference in cost of the American pay roll for wages over the British pay roll—and this is taken from actual figures, from the records of these two ships—the difference in cost of the American over the British ship per month for wages is \$746.79, or during a year \$8,961.48.

#### Comparison of American and British wage scales.

[Pound sterling=\$4.45.]

##### DECK DEPARTMENT.

United States, "Galesburg," 5,138 gross tons, 9½ knots, coal.				Great Britain, "Ballygally Head," 5,179 gross tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$270	\$270	Master.....	1	£ 48 0	£ 48 0
First officer.....	1	165	165	First mate.....	1	23 10	23 10
Second officer.....	1	145	145	Second mate.....	1	17 0	17 0
Third officer.....	1	130	130	Third mate.....	1	13 0	13 0
Carpenter and boatswain.....	1	65	65	Fourth mate.....	1	12 0	12 0
Able-bodied seamen.....	6	55	330	Sailor and carpenter.....	1	12 10	12 10
Ordinary seamen.....	2	40	80	Boatswain.....	1	11 0	11 0
				Able-bodied seaman and lampman.....	1	10 10	10 10
				Able-bodied seamen.....	4	10 0	40 0
				Sailors.....	3	10 0	30 0
				Ordinary seaman.....	1	5 10	5 10
				Deck boy.....	1	4 10	4 10
Total.....	13		1,185	Total.....	17		227 10

\* Master's pay on "Ballygally Head" estimated.

#### Comparison of American and British wage scales—Continued.

##### ENGINE DEPARTMENT.

United States, "Galesburg," 5,138 gross tons, 9½ knots, coal.				Great Britain, "Ballygally Head," 5,179 gross tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Chief engineer.....	1	\$240	\$240	First engineer.....	1	£ 25 10	£ 25 10
First engineer.....	1	165	165	Second engineer.....	1	20 10	20 10
Second engineer.....	1	145	145	Third engineer.....	1	17 0	17 0
Third engineer.....	1	130	130	Fourth engineer.....	1	13 0	13 0
Oilers.....	3	65	195	Donkey man.....	1	11 10	11 10
Firemen.....	9	57½	517½	Stokekeeper.....	1	11 10	11 10
Coal passers.....	3	50	150	Greaser.....	1	11 10	11 10
				Firemen and trimmers.....	12	10 10	126 0
Total.....	19		1,542½	Total.....	19		236 10

##### STEWARD'S DEPARTMENT.

United States, "Galesburg," 5,138 gross tons, 9½ knots, coal.				Great Britain, "Ballygally Head," 5,179 gross tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Chief steward.....	1	\$105	\$105	Chief steward.....	1	£ 14 10	£ 14 10
Chief cook.....	1	90	90	Second steward.....	1	9 5	9 5
Second cook and baker.....	1	70	70	Mess room steward.....	1	9 0	9 0
Mess boys.....	3	35	105	Assistant steward.....	1	8 10	8 10
				Ship's cook.....	1	13 10	13 10
				Cook.....	1	9 10	9 10
Total.....	6		307	Total.....	6		64 5
Radio operator.....	1	90	90				
Grand total.....	39		3,097½	Grand total.....	42		528 5

##### RECAPITULATION.

United States, "Galesburg," 5,138 gross tons, 9½ knots, coal.				Great Britain, "Ballygally Head," 5,179 gross tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Deck department.....	13		1,185	Deck department.....	17		\$1,012.38
Engine department.....	19		1,542½	Engine department.....	19		1,052.42
Steward's department.....	6		307	Steward's department.....	6		285.91
Radio.....	1		90				
Grand total.....	39		3,097½	Total.....	42		2,350.71

#### Difference in cost of American over British:

Per month.....	\$746.79
Per year.....	8,961.48

I have another comparison—between the Shipping Board ship *Hog Island* and the English ship *Cornish Point*. The American ship is 7,800 dead-weight tons, oil burner, 10 knots, and the *Cornish Point* is 8,200 dead-weight tons, coal burner, 12½ to 13 knots. There is one point of difference between coal-burning and oil-burning ships. An oil-burning ship requires about one-third of the firemen that are required in a coal-burning ship. Notwithstanding this reduction in crew, the difference between these two ships in wages per month is \$735, or per year \$8,820, against the American ship. But it will be noted that the English ship has a higher dead-weight tonnage and that it has an excess of 2 knots per hour, and is therefore a more valuable ship.

#### Comparison of American and British ship wages.

##### DECK DEPARTMENT.

[Pound sterling equals \$4.50.]

United States, "Hog Island," 7,800 dead-weight tons, oil burner, 10 knots.				England, "Cornish Point," cargo, 8,200 dead-weight tons, coal burner, 12½-13 knots.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$270	\$270	Master.....	1	£ 48 10	£ 48 10
First officer.....	1	165	165	Chief officer.....	1	23 10	23 10
Second officer.....	1	145	145	Second officer.....	1	17 0	17 0
Third officer.....	1	130	130	Third officer.....	1	13 0	13 0
Carpenter and boatswain.....	1	65	65	Carpenter.....	1	12 10	12 10
Able-bodied seamen.....	6	55	330	Boatswain.....	1	11 10	11 10
Ordinary seamen.....	2	40	80	Able-bodied seamen.....	8	10 0	80 0
				Apprentices.....	2	0 0	0 0
Total.....	13		1,185	Total.....	16		157 10



## Comparison of American and British ship wages—Continued.

## ENGINE DEPARTMENT.

United States, "Hog Island," 7,800 dead-weight tons, oil burner, 10 knots.				England, "Cornish Point," cargo, 8,200 dead-weight tons, coal burner, 12½-13 knots.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Chief engineer.....	1	\$240	\$240	Chief engineer.....	1	£ 30 10	£ 30 10
Assistant engineer.....	1	165	165	Second engineer.....	1	23 10	23 10
Second assistant engineer.....	1	145	145	Third engineer.....	1	17 0	17 0
Third assistant engineer.....	1	130	130	Fourth engineer.....	1	13 0	13 0
Oilers.....	3	65	195	Donkeyman.....	1	11 10	11 10
Firemen.....	3	57½	172½	Greasers.....	2	11 0	22 0
Wipers.....	2	50	100	Firemen.....	12	10 10	126 0
Total.....	12		1,147½	Total.....	19		243 10

## STEWARD'S DEPARTMENT.

Chief steward.....	1	\$105	\$105	Chief steward.....	1	14 10	14 10
Chief cook.....	1	90	90	Assistant steward.....	1	9 5	9 5
Second cook and baker.....	1	70	70	Mess room steward.....	1	9 0	9 0
Mess boys.....	3	35	105	Chief cook.....	1	13 10	13 10
Total.....	6		370	Second cook.....	1	10 0	10 0
Wireless operator.....	1	90	90	Total.....	5		56 5
Grand total.....	32		2,792½	Grand total.....	40		457 5

## RECAPITULATION.

Deck department.....	13	\$1,185		Deck department.....	16	157 10	\$708½
Engine department.....	12	1,147½		Engine department.....	19	243 10	1,095½
Steward's department.....	6	370		Steward's department.....	5	56 5	253
Wireless operator.....	1	90		Total.....	40		2,057½
Total.....	32		2,792½	Total.....	40		2,057½

Difference in cost American wages over English:

Per month.....	\$735
Per year.....	8,820

Here is the United States ship *Orleans* and the Great Britain ship *Mongolian Prince*, both about 9,600 tons dead weight, both 11 knots. The American ship burns oil and the British ship burns coal, and the difference in wages is \$593 a month, or \$7,116 a year, in favor of the British.

## Comparison, American and British wages.

## DECK DEPARTMENT.

[Pound sterling equals \$4.50.]

United States, "Orleans," 9,638 dead-weight tons, 11 knots, oil.				Great Britain, "Mongolian Prince," 9,670 dead-weight tons, 11 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$270	\$270	Master.....	1	£ 48 10	£ 48 10
First officer.....	1	165	165	First officer.....	1	23 10	23 10
Second officer.....	1	145	145	Second officer.....	1	17 0	17 0
Third officer.....	1	130	130	Third officer.....	1	13 0	13 0
Carpenter.....	1	70	70	Carpenter.....	1	12 10	12 10
Boatswain.....	1	65	65	Boatswain.....	1	12 10	12 10
Able-bodied seamen.....	6	55	330	Boatswain and able-bodied seaman.....	1	11 10	11 10
Ordinary seamen.....	2	40	80	Able-bodied seamen.....	7	10 0	70 0
Total.....	14		1,255	Apprentices.....	4		
				Total.....	17		196 0

## ENGINE DEPARTMENT.

Chief engineer.....	1	\$240	\$240	First engineer.....	1	30 10	30 10
First assistant engineer.....	1	165	165	Second engineer.....	1	23 10	23 10
Second assistant engineer.....	1	145	145	Third engineer.....	1	17 0	17 0
Third assistant engineer.....	1	130	130	Fourth engineer.....	1	13 0	13 0
Oilers.....	3	65	195	Donkey man.....	1	11 10	11 10
Firemen.....	3	57½	172½	Second donkey man and greaser.....	1	11 0	11 0
Wipers.....	2	50	100	Greaser.....	1	11 0	11 0
Total.....	12		1,147½	Firemen and trimmers.....	12	10 10	120 10
				Total.....	19		238 0

## Comparison, American and British wages—Continued.

## STEWARD'S DEPARTMENT.

United States, "Orleans," 9,638 dead-weight tons, 11 knots, oil.				Great Britain, "Mongolian Prince," 9,670 dead-weight tons, 11 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Chief steward.....	1	\$105	\$105	Chief steward.....	1	£ 14 10	£ 14 10
Chief cook.....	1	90	90	Second steward.....	1	9 5	9 5
Second cook and baker.....	1	70	70	Engineer's steward.....	1	8 10	8 10
Mess boys.....	3	35	105	Cook.....	1	13 10	13 10
Total.....	6		370	Assistant cook.....	1	9 10	9 10
Radio operator.....	1	90	90	Total.....	5		55 5
Grand total.....	33		2,862½	Radio operator.....	1	17 6 8	15 0
				Grand total.....	42		504 5

## RECAPITULATION.

Deck department.....	14	\$1,255		Deck department.....	17		\$882
Engine department.....	12	1,147½		Engine department.....	19		1,071
Steward's department.....	6	370		Steward's department.....	5		249
Radio operator.....	1	90		Radio operator.....	1		67½
Grand total.....	33		2,862½	Grand total.....	42		2,269½

Difference in cost of American over British:

Per month.....	\$593
Per year.....	7,116

Here is the United States ship *Dakota* compared with the English ship *Rexmore*, 10,200 tons dead weight. The English ship makes 13 knots and the American ship makes 12 knots. Both oil burners, a very fair comparison. The difference in cost of the American wage scale or the wage pay roll over the British is \$531.50 per month, or \$6,378 per year.

## Comparison of American and British wages.

[Pound sterling equals \$4.50.]

## DECK DEPARTMENT.

United States, "Dakota," 6,426 gross tons, 10,200 dead-weight tons, 12 knots, oil.				England, "Rexmore," 6,512 gross tons, 10,200 dead-weight tons, 13 knots oil burner.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$270	\$270	Master.....	1	£ 48 10	£ 48 10
First officer.....	1	165	165	First officer.....	1	23 10	23 10
Second officer.....	1	145	145	Second officer.....	1	17 0	17 0
Third officer.....	1	130	130	Third officer.....	1	13 0	13 0
Carpenter.....	1	70	70	Carpenter.....	1	12 10	12 10
Boatswain.....	1	65	65	Able-bodied seamen.....	10	10 0	10 0
Able-bodied seamen.....	6	55	330	Apprentices.....	4		
Ordinary seamen.....	2	40	80	Total.....	20		226 0
Total.....	14		1,255				

## ENGINE DEPARTMENT.

Chief engineer.....	1	\$240	\$240	Chief engineer.....	1	30 10	30 10
First assistant engineer.....	1	165	165	Second engineer.....	1	23 10	23 10
Second assistant engineer.....	1	145	145	Third engineer.....	1	17 0	17 0
Third assistant engineer.....	1	130	130	Fourth engineer.....	1	13 0	13 0
Oilers.....	3	65	195	Fifth engineer.....	1	12 0	12 0
Firemen.....	3	57½	172½	Donkey man.....	1	11 10	11 10
Wipers.....	2	50	100	Greasers.....	3	11 0	33 0
Total.....	12		1,047½	Firemen.....	6	10 10	63 0
				Total.....	15		203 10

## STEWARD'S DEPARTMENT.

Chief steward.....	1	\$105	\$105	Chief steward.....	1	14 10	14 10
Chief cook.....	1	90	90	Second steward.....	1	9 5	9 5
Second cook and baker.....	1	70	70	Mess room steward.....	1	9 0	9 0
Mess boys.....	3	35	105	Ship's cook.....	1	13 10	13 10
Total.....	6		370	Second cook and baker.....	1	10 0	10 0
Wireless operator.....	1	90	90	Cabin boy.....	1	5 0	5 0
Grand total.....	33		2,762½	Galley boy.....	1	5 0	5 0
				Total.....	7		66 5
				Grand total.....	42		495 15

## Comparison of American and British wages—Continued.

## RECAPITULATION.

United States, "Dakota," 6,426 gross tons, 10,200 dead-weight tons, 12 knots, oil.				England, "Rexmore," 6,512 gross tons, 10,200 dead-weight tons, 13 knots, oil burner.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Deck department.	14	.....	\$1,255	Deck department.	20	£ 226 0	\$1,017
Engine department.	12	.....	1,047½	Engine department.	15	203 10	915½
Steward's department.	6	.....	370	Steward's department.	7	66 5	297
Wireless operator.	1	.....	90				
Total.....	33	.....	2,762½	Total.....	42	495 15	2,231

Difference in cost of American over British:

Per month..... \$331.50

Per year..... 6,373.00

Another case: The United States ship *Susquehanna* and the English ship *Berrima*. The American ship is 11,700 gross tons; the English ship 11,202 gross tons. Both are rated at 13 knots, and both burn coal. The difference in the wage cost per month is \$3,647.26, or per year \$43,767.12, which is the differential against the American ship.

Comparison of wages on American and British ships.

[Pound sterling equals \$4.45.]

## DECK DEPARTMENT.

United States, "Susquehanna," 11,700 gross tons, 13 knots, coal.				England, "Berrima," 11,202 gross tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$315	\$315	Master.....	1	£ 30 0	30 0
Chief officer.....	1	175	175	Chief mate.....	1	21 0	21 0
Second officer.....	1	155	155	Second mate.....	1	18 0	18 0
Third officer.....	1	135	135	Third mate.....	1	13 10	13 10
Fourth officer.....	1	120	120	Carpenter.....	2	14 10	29 0
Carpenter.....	1	70	70	Boatswain.....	1	11 10	11 10
Carpenter's mate.....	1	60	60	Lamps.....	1	10 10	10 10
Boatswain.....	3	60	180	Quartermasters.....	4	10 10	42 0
Masters-at-arms.....	3	60	180	Able-bodied sea-	28	10 0	280 0
Quartermasters.....	6	60	360	men.....	2	5 10	11 0
Able-bodied sea-	18	55	990	Ordinary seamen.....	2	10 0	20 0
men.....	6	40	240	Seamen.....	1	3 0	3 0
Ordinary seamen.....	6	40	240	Deck boy.....	1	3 0	3 0
Total.....	43	.....	2,980	Total.....	46	.....	489 10

## ENGINE DEPARTMENT.

Chief engineer.....	1	\$280	\$280	First engineer.....	1	35 10	35 10
First assistant engineer.....	1	175	175	Second engineer.....	1	23 10	23 10
Second assistant engineer.....	1	155	155	Third engineer.....	1	18 0	18 0
Third assistant engineer.....	1	135	135	Fourth and assistant engineers.....	5	14 0	70 0
Fourth assistant engineer.....	1	120	120	Donkey men.....	2	11 10	23 0
Junior engineers.....	3	100	300	Refrigeration greasers.....	3	11 10	34 10
Chief electrician.....	1	85	85	Greasers.....	6	11 0	66 0
Assistant electrician.....	1	80	80	Firemen.....	18	10 10	189 0
Chief refrigeration engineer.....	1	90	90	Trimmers.....	16	10 0	160 0
Deck engineer.....	1	70	70				
Chief storekeeper.....	1	65	65				
Water tenders.....	3	65	195				
Oilers.....	9	65	585				
Firemen.....	18	57½	1,035				
Coal passers.....	18	50	900				
Total.....	61	.....	4,270	Total.....	43	.....	619 10

## STEWARDS' DEPARTMENT.

Doctor.....	1	\$175	\$175	Chief stewards.....	1	£ 16 10	16 10
Hospital attendants.....	2	60	120	Second stewards.....	2	12 10	25 0
Chief radio operator.....	1	105	105	Third stewards.....	3	10 10	31 10
First assistant radio operator.....	1	95	85	Assistant third stewards.....	4	9 15	39 0
Second assistant radio operator.....	1	75	75	Chief cook.....	1	13 10	13 10
Baggage master.....	1	85	85	Second cook.....	1	9 15	39 0
Chief purser.....	1	175	175	Assistant cooks.....	1	13 10	13 10
				Baker.....	1	12 10	12 10
				Second baker.....	1	9 15	9 15
				Assistant baker.....	1	9 15	9 15

## Comparison of wages on American and British ships—Continued.

## STEWARDS' DEPARTMENT—continued.

United States, "Susquehanna," 11,700 gross tons, 13 knots, coal.				England, "Berrima," 11,202 gross tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Assistant purser.....	1	\$100	\$100	Mess room steward	1	£ 9 5	£ 9 5
Clerk.....	1	85	85	Stewardesses.....	2	9 5	18 10
Chief steward.....	1	165	165	Assistant stewards	46	9 5	425 10
Second steward.....	1	110	110	Steward's boys ..	7	5 0	35 0
Chief third-class steward.....	1	90	90				
Assistant stewards and waiters.....	19	50	950				
Stewardesses.....	2	50	100				
Chief, chief cook.....	1	140	140				
Chief cook, second class.....	1	115	115				
Chief cook, third class.....	1	80	80				
Chief crew cook.....	1	90	90				
Assistant crew cook.....	1	70	70				
Kosher cook.....	1	60	60				
Steage cook.....	1	70	70				
Chief baker.....	1	115	115				
Second or night baker.....	1	90	90				
Assistant baker or third baker.....	1	75	75				
Chief butcher.....	1	90	90				
Third butcher or assistant refriger-erator butcher.....	1	80	80				
Chief pantryman, first class.....	1	75	75				
Chief pantryman, second class.....	1	65	65				
Chief storekeeper.....	1	85	85				
Assistant store-keeper.....	1	50	50				
Canteen man or barman.....	1	50	50				
Scullions and dishwashers.....	5	50	250				
Messmen.....	2	60	120				
Mess boys.....	5	55	275				
Bell boys.....	2	30	60				
Inspectors or watchmen.....	2	55	110				
Musician.....	1	75	75				
Timekeeper.....	1	60	60				
Barber and hair-dresser.....	1	1	1				
Total.....	70	.....	4,780	Total.....	75	.....	704 0
Grand total.....	174	.....	11,715	Grand total.....	174	.....	1,813 0

## RECAPITULATION.

Deck department.....	43	.....	\$2,665	Deck department.....	46	£ 489 10	\$2,178.18
Engine department.....	61	.....	4,270	Engine department.....	43	619 10	2,756.77
Steward's department (radio included).....	70	.....	4,780	Steward's department.....	75	704 0	3,132.80
Grand total.....	174	.....	11,715	Total.....	174	1,813 0	8,067.75

Difference in cost of American over British:

Per month..... \$3,647.26

Per year..... 43,767.12

Here is another United States ship *America* and a Great Britain ship *Baltic*. Both of them are familiar to many Members of the House. The American ship has a gross tonnage of 21,114 and the British ship of 23,884. Both make 17 knots and both are coal burners. The differential in the American pay roll over the British pay roll for each month is \$19,451.50, or for the entire year, \$233,468.

Comparison of American and English ship wages.

## DECK DEPARTMENT.

[Pound sterling equals \$4.50.]

United States, "America," 21,114 gross tons, 17 knots, coal.				Great Britain, "Baltic," 23,884 gross tons, 17 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$500	\$500	Master.....	1	£ 75 0	£ 75 0
Chief officer.....	1	250	250	Chief mate.....	1	43 0	43 0
First officer.....	1	200	200	First mate.....	1	42 0	42 0

¹ Estimated.



## Comparison of American and English ship wages—Continued.

## DECK DEPARTMENT—continued.

United States, "America," 21,114 gross tons, 17 knots, coal.				Great Britain, "Baltic," 23,884 gross tons, 17 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
First junior officer.	1	\$200	\$200	Second mate.....	1	£ 38 0	£ 38 0
Junior second officer.....	1	185	185	Third and fourth mates.....	2	28 0	56 0
Junior second officer.....	1	185	185	Fifth mate.....	1	27 0	27 0
Senior third officer.....	1	165	165	Carpenter.....	1	15 10	15 10
Junior third officer.....	1	165	165	Carpenter's mate..	1	12 10	12 10
Carpenter.....	1	70	70	Boatswain.....	1	13 10	13 10
Second carpenter.....	1	60	60	Boatswain's mate..	1	12 0	12 0
Third carpenter.....	1	55	55	Lamps and able bodied seamen..	1	10 10	10 10
Boatswain.....	1	65	65	Stores and able bodied seamen..	1	10 10	10 10
Second boatswain.....	1	60	60	Able-bodied seamen.....	31	10 0	310 0
Third boatswain.....	1	60	60	Ordinary seamen.....	8	7 0	56 0
Quartermasters.....	6	60	360				
Lookout quarter-masters.....	6	55	330				
Masters-at-arms.....	9	60	540				
Able-bodied seamen.....	42	55	2,310				
Ordinary seamen.....	11	40	440				
Deck boys.....	7	30	210				
Senior radio operator.....	1	120	120				
First assistant radio operator.....	1	100	100				
Junior or second assistant operator.....	1	90	90				
Total.....	98		6,720	Total.....	52		726 10

## ENGINE DEPARTMENT.

United States, "America," 21,114 gross tons, 17 knots, coal.				Great Britain, "Baltic," 23,884 gross tons, 17 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Chief engineer.....	1	\$350	\$350	Chief engineer.....	1	£ 66 0	£ 66 0
Senior first assistant engineer.....	1	250	250	Second engineer.....	1	47 0	47 0
Junior first assistant engineer.....	1	200	200	Third engineer.....	1	42 10	42 10
Senior second assistant engineer.....	1	185	185	Fourth engineers.....	6	38 0	228 0
Junior second assistant engineer.....	1	170	170	Storekeepers.....	2	11 10	22 0
Third assistant engineer.....	1	150	150	Refrigerator greasers.....	3	11 10	34 10
Junior third assistant engineer.....	1	140	140	Greasers.....	11	11 0	121 0
Fourth assistant engineer.....	1	130	130	Leading firemen.....	6	11 0	66 0
Junior engineers.....	9	100	900	Firemen.....	37	10 10	358 10
First refrigerating engineer.....	1	125	125	Trimmers.....	35	10 0	350 0
Second refrigerating engineer.....	1	100	100				
Third refrigerating engineer.....	1	85	85				
Chief electrician.....	1	125	125				
Second electrician.....	1	100	100				
Third electrician.....	1	85	85				
Assistant electricians.....	3	85	255				
Deck engineer.....	1	70	70				
Machinist.....	1	90	90				
Chief plumber.....	1	90	90				
Assistant plumber.....	2	80	160				
Chief storekeeper.....	1	65	65				
Assistant storekeeper.....	1	60	60				
Oilers.....	24	65	1,560				
Leading firemen.....	3	65	195				
Firemen.....	48	57½	2,760				
Wipers.....	4	50	200				
Coal passers.....	57	50	2,850				
Phone operators.....	3	59½	178½				
Total.....	172		11,628½	Total.....	103		1366 10

## STAFF AND COMMISSARY.

United States, "America," 21,114 gross tons, 17 knots, coal.				Great Britain, "Baltic," 23,884 gross tons, 17 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Purser.....	1	\$225	\$225	Chief steward.....	1	£ 35 0	£ 35 0
Second purser.....	1	100	100	Second steward.....	1	15 0	15 0
Clerk.....	1	85	85	Third steward.....	1	13 0	13 0
Baggage master.....	1	90	90	Chief storekeeper.....	1	10 10	10 10
Yeoman.....	1	72½	72½	Second storekeeper.....	1	9 15	9 15
Do.....	1	72	72	Assistant storekeepers.....	4	9 5	37 0
Surgeon.....	1	175	175	Writers.....	3	10 10	31 10
Second surgeon.....	1	150	150	Saloon stewards.....	3	10 10	31 10
Pharmacist.....	1	90	90	Second and third saloon stewards.....	2	10 0	20 0
Nurse.....	1	85	85	Stewards.....	32	9 5	296 0
Attendant.....	1	60	60	Night watchmen.....	4	9 5	37 0
Mistress at arms.....	1	60	60	Chief printer.....	1	11 10	11 10
Chief steward.....	1	200	200	Assistant printer.....	1	10 0	10 0

## Comparison of American and English ship wages—Continued.

## STAFF AND COMMISSARY—continued.

United States, "America," 21,114 gross tons, 17 knots, coal.				Great Britain, "Baltic," 23,884 gross tons, 17 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Second steward.....	1	\$150	\$150	Deck steward.....	1	£ 9 5	£ 9 5
Assistant second stewards.....	2	115	230	Assistant desk steward.....	1	9 5	9 5
Saloon steward.....	1	65	65	Reading room steward.....	1	9 5	9 5
Chief storekeeper.....	1	100	100	Lounge-room steward.....	1	9 5	9 5
Assistant storekeeper.....	1	75	75	Smoke-room steward.....	1	9 5	9 5
Assistant storekeepers.....	2	65	130	Bath and lavatory stewards.....	4	9 5	37 0
Bartender.....	1	80	80	Bathroom stewards.....	16	9 5	148 0
Messmen.....	1	60	60	Linen keeper.....	1	10 0	10 0
Messboys.....	8	50	400	Chief pantryman.....	1	12 0	12 0
Steward's yeoman.....	1	50	50	Second pantryman.....	1	10 0	10 0
Engineer's messmen.....	2	60	120	Assistant pantrymen.....	3	9 5	27 15
Engine mess boys.....	2	50	100	Boots.....	5	9 5	46 5
Post-office messmen.....	1	60	60	Plate stewards.....	4	9 5	37 0
Post-office mess boys.....	2	50	100	Bell boys.....	4	2 10	10 0
Firemen's messmen.....	1	60	60	Chief second-class steward.....	1	13 0	13 0
Firemen's mess boys.....	8	50	400	Chief pantryman.....	1	10 0	10 0
Linen keeper.....	1	80	80	Assistant pantryman.....	1	9 5	9 1
Assistant linen keeper.....	1	60	60	Saloon steward.....	1	9 15	9 5
Printer.....	1	75	75	Stewards.....	25	9 5	231 55
Do.....	1	65	65	Smokeroom steward.....	1	9 5	9 5
Liftman.....	1	50	50	Library steward.....	1	9 5	9 5
Bugler.....	1	60	60	Boots.....	1	9 5	9 5
Captain's man.....	1	60	60	Lavatory and bath stewards.....	2	9 5	18 10
Chief engineer's man.....	1	60	60	Plate stewards.....	4	9 5	37 0
Cellar man.....	1	50	50	Night watchmen.....	2	9 5	18 10
Bell hops.....	6	30	180	Stewardesses.....	10	9 5	92 10
Silvermen.....	3	50	150	Chief third-class steward.....	1	13 0	13 0
Gym. steward.....	1	50	50	Second-class stewards.....	1	10 10	10 10
Boots.....	1	50	50	Interpreter.....	1	10 0	10 0
Library stewards.....	2	50	100	Pantry.....	1	9 10	9 10
Smoking room stewards.....	4	50	200	Ordinary steward.....	1	9 5	9 5
Bath stewards.....	2	50	100	Night watchmen.....	2	9 5	18 10
Deck stewards.....	3	50	150	Chief.....	1	23 0	23 0
Watchmen.....	4	50	200	Assistant chef.....	1	19 0	19 0
Stewardess.....	8	50	400	Larder cook.....	1	15 0	15 0
Assistant stewards.....	43	50	2,150	Sauce and entree cook.....	1	15 0	15 0
Bedroom stewards.....	24	50	1,200	R. & G. cook.....	1	12 10	12 10
Stewards' mess boys.....	2	50	100	Second-class cook.....	1	14 0	14 10
Chief steward, third class.....	1	100	100	Vegetable cook.....	1	13 0	13 0
Second stewards, second class.....	2	75	150	Assistant cooks.....	4	10 0	40 0
Assistant stewards.....	41	50	2,050	Scullions.....	7	9 5	64 15
Chief cook.....	1	200	200	Pastry cook.....	1	14 10	14 10
Assistant cook.....	1	180	180	Assistant cook.....	1	10 0	10 0
Roast cook.....	1	140	140	Chief baker.....	1	17 10	17 10
Assistant cook.....	1	100	100	Hebrew cook.....	1	10 0	10 0
Saucier.....	1	140	140	Ships' cook.....	1	12 10	12 10
Assistant saucier.....	1	125	125	Assistant cook.....	1	11 0	11 0
Fry cook.....	1	140	140	Confectioner.....	1	15 10	15 10
Assistant fry cook.....	1	100	100	Second baker.....	1	13 10	13 10
Grill cooks.....	2	115	230	Assistant baker.....	1	12 10	12 10
Gardmanger.....	1	140	140	Third baker.....	1	12 0	12 0
Assistant gardmanger.....	1	100	100	Assistant bakers.....	3	10 0	30 0
Confectioner.....	1	150	150	Chief butcher.....	1	13 10	13 10
Assistant confectioner.....	1	120	120	Second butcher.....	1	11 0	11 0
Do.....	1	100	100	Third butcher.....	1	10 10	10 10
Chief baker.....	1	120	120	Fourth butcher.....	1	10 0	10 0
Vienna baker.....	1	100	100	Assistant butchers.....	2	9 10	19 0
Second Vienna baker.....	1	80	80	Bedroom stewards.....	8	9 5	74 0
Assistant Vienna bakers.....	2	70	140	Messroom stewards.....	2	9 10	19 0
Chief butcher.....	1	115	115	First-class barber.....	1	1	1
Second butcher.....	1	85	85	Second-class barber.....	1	1	1
Third butcher.....	1	75	75	Bandmaster.....	1	1	1
Assistant butcher.....	1	70	70	Bandsmen.....	3	1	3
Chief cook, second class.....	1	150	150				
Second cook.....	1	70	70				
Assistant cook.....	1	70	70				
Chief cook.....	1	110	110				
Chief crew cook.....	1	110	110				
Second crew cook.....	1	75	75				

Comparison of American and British ship wages—Continued.  
STAFF AND COMMISSARY DEPARTMENT—continued.

United States, "Susquehanna," 11,700 gross tons, 13 knots, coal.				England, "Berrima," 11,202 gross tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Assistant crew cook.....	1	\$70	\$70			£ s.	£ s.
Kosher cook.....	1	90	90				
Night cook.....	1	90	90				
Chief pantryman.....	1	100	100				
Second pantryman.....	1	75	75				
Assistant pantrymen.....	3	70	210				
Canteenmen.....	3	65	195				
Second officer, chief pantryman.....	1	70	70				
Third officer, chief pantryman.....	1	70	70				
Assistant pantrymen.....	2	60	120				
Scullions and dishwashers.....	43	50	2,150				
Musicians.....	13	50	650				
News agent.....	(1)						
Manicurist.....	(1)						
Barber.....	(1)						
Tailor.....	(1)						
Telephone operators.....	3	59½	178½				
Assistant stewards.....	6	50	300				
Do.....	122						
G. H. stewards.....	5	50	250				
Total.....	342		19,567½	Total.....	209		2,012 6
Grand total.....	612			Grand total.....	364		

1 No pay.

RECAPITULATION.

Deck department.....	98	\$6,720	Deck department.....	51	\$3,269½
Engine department.....	172	11,628½	Engine department.....	103	6,139½
Staff and commiss-ion.....	342	19,567½	Staff and commiss-ion.....	209	9,055½
Grand total.....	612	37,916½	Grand total.....	364	18,464½

Difference in cost of American over British:

Per month.....	\$19,451.50
Per year.....	233,468.00

Here is the United States ship *President Harrison* compared with the Japanese ship *Rakuyo Maru*. The American ship is 13,000 dead-weight tons and the Japanese is 12,500 tons. The American ship makes 14½ knots and the Japanese ship 13 knots. The American ship burns oil and the Japanese ship coal, and the difference of cost of the American wage over the Japanese wage is \$2,965.50 a month, or, per year, \$35,586.

Comparison of wages on American and Japanese ships.

DECK DEPARTMENT.

United States, "President Harrison," 13,000 dead-weight tons, 14½ knots, oil.				Japan, "Rakuyo Maru," 5 S. E. boilers, 12,500 dead-weight tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$375	\$375	Master.....	1	Yen. 310	Yen. 310
First officer.....	1	200	200	First officer.....	1	202	202
Second officer.....	1	175	175	Second officer.....	1	165	165
Third officer.....	1	155	155	Third officer.....	1	124	124
Fourth officer.....	1	140	140	Fourth officer.....	1	110	110
Carpenter.....	1	70	70	Extra officer.....	1		
Boatswain.....	1	75	75	Apprentice officer.....	1	30	30
Quartermasters.....	4	60	240	Wireless operator.....	1		
Able-bodied seamen.....	14	55	770	Second wireless operator.....	1		
Ordinary seamen.....	6	40	240	Boatswain.....	1	97	97
Deck watchman.....	1	55	55	Carpenter.....	1	79	79
First radio operator.....	1	115	115	Storekeeper.....	1	74	74
Second radio operator.....	1	100	100	Quartermasters.....	6	74	442
Total.....	34		2,710	Sailors.....	12	64	768
				Total.....	30		2,401

Comparison of wages on American and Japanese ships—Continued.

ENGINE DEPARTMENT.

United States, "President Harrison," 13,000 dead-weight tons, 14½ knots, oil.				Japan, "Rakuyo Maru," 5 S. E. boilers, 12,500 dead-weight tons, 13 knots, coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Chief engineer.....	1	\$310	\$310	Chief engineer.....	1	Yen. 284	Yen. 284
First assistant engineer.....	1	200	200	First engineer.....	1	184	184
Second assistant engineer.....	1	175	175	Second engineer.....	1	150	150
Third assistant engineer.....	1	155	155	Third engineer.....	1	130	130
Junior engineers.....	3	120	360	Fourth engineer.....	1	120	120
No. 1 refrigerator engineer.....	1	115	115	Fifth engineer.....	1	110	110
No. 2 refrigerator engineer.....	1	90	90	Extra engineer.....	1	90	90
No. 3 refrigerator engineer.....	1	75	75	No. 1 oiler.....	1	75	75
Deck engineer.....	1	85	85	Storekeeper.....	1	80	80
Electrician.....	1	95	95	Oilers.....	8	75	600
Storekeeper.....	1	65	65	Firemen.....	11	64	704
Oilers.....	5	65	325	Coal passers.....	18	57	1,020
Water tenders.....	2	65	130				
Firemen.....	7	57.50	402½				
Wipers.....	4	50	200				
Total.....	31		2,782½	Total.....	46		3,547

PURSER'S DEPARTMENT.

Purser.....	1	\$175	\$175	Purser.....	1	\$250	\$250
Freight clerk.....	1	130	130	Freight clerk.....	1	115	115
Chief steward.....	1	165	165	Surgeon.....	1	185	185
Second steward.....	1	100	100	Storekeeper.....	1	110	110
Saloon steward.....	1	80	80	Clerk.....	1	80	80
Chief cook.....	1	140	140	Do.....	1	70	70
Second cook.....	1	90	90	Do.....	1	60	60
Waiters.....	8	50	400	Tally clerk.....	1	65	65
Third cook.....	1	80	80	Chief steward.....	1	235	235
Fourth cook.....	1	70	70	Second steward.....	1	150	150
Scullions.....	2	50	100	Third steward.....	1	125	125
Butcher.....	1	90	90	Barkeeper.....	1	50	50
Chief baker.....	1	110	110	Chief cook.....	1	100	100
Second baker.....	1	75	75	Second cook.....	1	80	80
Printer.....	1	60	60	Third cook.....	1	75	75
Bath steward.....	1	50	50	Chief baker.....	1	75	75
Bell boy.....	1	30	30	Second baker.....	1	60	60
Messman.....	1	45	45	Butcher.....	1	85	85
Second laundryman.....	1	65	65	Cooks.....	5	90	450
Steergasteward.....	1	85	85	Pantry waiter.....	1	40	40
Surgeon.....	1	150	150	Assistant pantry waiter.....	1	35	35
				Hospital boy.....	1	60	60
				Cabin waiters.....	9	52	468
				Second-class waiters.....	3	51	153
				Steerage waiters.....	4	51	204
				Waiter (Chinese crew).....	7	50	350
				Chinese interpreter.....	1	43	43
				European food cooks.....	2	90	180
				Cabin waiters.....	5	46	230
Total.....	29		2,290	Total.....	57		4,183

RECAPITULATION.

Deck department.....	34	\$2,710	Deck department.....	30	\$2,401	\$1,163
Engine department.....	31	2,872½	Engine department.....	46	3,547	1,718
Purser's department.....	29	2,290	Purser's department.....	57	4,183	2,025
Grand total.....	94	7,872½	Grand total.....	133	10,131	4,907

Excess of American wages cost over Japanese wages:

Per month.....	\$2,965.50
Per year.....	35,586.00

Here is another Japanese ship, the *Tenyo Maru*, compared with the United States ship *President Taft*. The *President Taft* is 14,123 gross tons, 16 knots, oil type, and the Japanese is 13,398, making 17 knots, and burns coal. The difference in cost of the American wage over the Japanese wage is \$1,099 per month, or \$13,188 per year.



## Comparison of American and Japanese wages—Trans-Pacific.

## DECK DEPARTMENT.

United States, "President Taft," 14,123 gross tons; 16 knots; oil.				Japan, "Tenyo Maru," triple screw; 13 S. E. boilers; 52 furnaces; 13,398 gross tons; 17 knots; coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Master.....	1	\$416	\$416	Master.....	1	Yen. 475	Yen. 475
First officer.....	1	225	225	Chief officer.....	1	275	275
Second officer.....	1	185	185	First officer.....	1	210	210
Third officer.....	1	165	165	Second officer.....	1	185	185
Fourth officer.....	1	150	150	Third officer.....	1	175	175
Carpenter.....	1	70	70	Junior officer.....	1	150	150
Boatswain.....	1	65	65	Apprentice officers	2	40	80
Boatswain's mate.....	1	60	60	Boatswain.....	1	97	97
Quartermasters.....	4	60	240	Second boatswain.....	1	73	73
Able-bodied seamen.....	16	55	880	Carpenters.....	2	79	158
Ordinary seamen.....	6	40	240	Storekeeper.....	1	74	74
Chief radio operator.....	1	115	115	Quartermasters.....	6	74	444
Second radio operator.....	1	100	100	First-class sailors.....	5	64	320
Third radio operator.....	1	90	90	Second-class sailors.....	5	59	295
Total.....	37		3,001	Fourth-class sailors.....	6	56	336
				Apprentice sailors.....	7	54	378
					2	23	46
				Total.....	44		3,771

## ENGINEER'S DEPARTMENT.

Chief engineer.....	1	\$330	\$330	Chief engineer.....	1	410	410
First assistant engineer.....	1	225	225	First assistant engineer.....	1	325	325
Second assistant engineer, senior.....	1	185	185	Second assistant engineer.....	1	275	275
Second assistant engineer, junior.....	1	155	155	Third assistant engineer.....	1	185	185
Third assistant engineer.....	1	165	165	Junior assistant engineer.....	1	145	145
Junior licensed engineers.....	3	130	390	Fourth assistant engineer.....	1	130	130
No. 1 refrigerator engineer.....	1	125	125	Fifth assistant engineer.....	1	95	95
No. 2 refrigerator engineer.....	1	100	100	Apprentice engineer.....	1	40	40
No. 3 refrigerator engineer.....	1	85	85	Extra engineers.....	2	93	186
No. 1 electrician.....	1	100	100	Electrician.....	1	145	145
No. 2 electrician.....	1	90	90	Fitter.....	1	80	80
No. 3 electrician.....	1	65	65	Machinist.....	1	75	75
Water tenders.....	6	65	390	Boiler maker.....	1	75	75
Oilers.....	6	65	390	Chief fireman.....	1	95	95
Storekeeper.....	1	65	65	Assistant chief fireman.....	1	82	82
Wipers.....	6	50	300	Storekeeper.....	1	80	80
Firemen.....	12	57 1/2	690	Water tenders.....	5	80	400
Machinist.....	1	90	90	Oilers.....	9	75	675
Plumber.....	1	90	90	Donkeyman.....	1	65	65
Boiler maker.....	1	90	90	First-class firemen.....	12	64	768
Total.....	48		4,120	Second-class firemen.....	17	60	1,020
				First-class coal passers.....	10	57	570
				Second-class coal passers.....	19	55	1,045
				Apprentice firemen.....	3	24	72
				Total.....	93		7,048

## PURSER'S DEPARTMENT.

Staff and commissary.							
Purser.....	1	\$175	\$175	Purser.....	1	280	280
Freight clerk.....	1	130	130	Surgeon.....	1	265	265
Assistant purser.....	1	100	100	Freight clerk.....	1	170	170
Storekeeper.....	1	90	90	Store clerk.....	1	125	125
Baggage clerk.....	1	65	65	Clerks.....	4	80	320
Surgeon.....	1	150	150	Chief steward.....	1	340	340
Chief steward.....	1	165	165	Second steward.....	1	100	100
Second steward.....	1	100	100	Steward steward.....	1	100	100
Third steward.....	1	70	70	Baggage-master.....	1	72	72
Steward steward.....	1	70	70	Hospital steward.....	1	60	60
No. 1 stewardess.....	1	45	45	Second-class steward.....	1	60	60
No. 2 stewardess.....	1	40	40	Bartender.....	1	60	60
Saloon watchman.....	1	65	65	Assistant bartender.....	1	46	46
Steering watchman.....	1	60	60	Butchers.....	2	85	170
Manicurist.....	1			Smoking room waiter.....	1	53	53
Barber.....	1			Deck stewards.....	2	52	104
Total.....			1,325	Saloon night watchman.....	1	65	65
				Saloon bathroom waiter.....	1	52	52
Chinese crew.....				Postmaster.....	1		
No. 1 saloon cook.....	1	86.25	86.25	Assistant postmaster.....	1		
No. 2 saloon cook.....	1	51.75	51.75	Saloon waiters.....	19	52	988
No. 3 saloon cook.....	1	48.30	48.30				

## Comparison of American and Japanese wages—Trans-Pacific—Continued.

## PURSER'S DEPARTMENT—continued.

United States, "President Taft," 14,123 gross tons; 16 knots; oil.				Japan, "Tenyo Maru," triple screw; 13 S. E. boilers; 52 furnaces; 13,398 gross tons; 17 knots; coal.			
Rate.	Num-ber.	Pay per man.	Pay per month.	Rate.	Num-ber.	Pay per man.	Pay per month.
Chinese crew—Continued.							
Vegetable cook.....	1	\$31.05	\$31.05	Second-class waiters.....	5	Yen. 51	Yen. 255
Crew cook.....	1	38.75	38.75	Mess-room waiters.....	5	38	190
No. 1 baker.....	1	80.25	80.25	Steering waiters.....	6	51	306
No. 2 baker.....	1	57.50	57.50	Apprentice waiters.....	3	20	60
No. 1 pantryman.....	1	46.00	46.00	Japanese food cooks.....	5	86	430
No. 2 pantryman.....	1	34.50	34.50	Laundrymen.....	4	83	332
No. 3 pantryman.....	1	28.75	28.75	Musicians.....	5		
No. 4 pantryman.....	1	25.87	25.87	Barber.....	1		
Silvermen.....	2	28.75	57.50	Chinese crew.			
Printer.....	1	46.00	46.00	No. 1 saloon waiter.....	1	67	67
Porters.....	2	23.00	46.00	Saloon waiter.....	1	46	46
Officers' mess boy.....	1	28.75	28.75	Saloon waiters.....	20	32	640
Petty officers' mess boy.....	1	25.30	25.30	Saloon bathroom waiters.....	2	32	64
No. 1 butcher.....	1	74.75	74.75	Second-class waiter.....	1	32	32
No. 2 butcher.....	1	34.50	34.50	Chinese interpreter.....	1	43	43
Engineers' messman.....	1	28.75	28.75	Steering waiters.....	4	27	108
Junior engineers' messmen.....	2	25.30	50.60	Apprentice waiters.....	4	15	60
No. 1 saloon boy.....	1	48.25	48.25	European food cooks.....	8	100	800
Deck boys.....	2	23.00	46.00	Bakers.....	3	65	195
Bar boy.....	1	46.00	46.00	Pantrymen.....	6	35	210
Smoke-room boys.....	2	23.00	46.00	Chinese food cooks.....	3	46	138
Social hall boy.....	1	23.00	23.00	Porter.....	1	32	32
No. 2 saloon boy.....	1	37.37	37.37	Printer.....	1	50	50
Saloon boys.....	30	25.30	759.00				
Bathroom boys.....	4	23.00	115.00				
Interpreter.....	1	40.25	40.25				
No. 1 steering cook.....	1	46.00	46.00				
No. 2 steering cook.....	1	31.05	31.05				
No. 3 steering cook.....	1	28.75	28.75				
No. 1 steering waiter.....	1	31.05	31.05				
Steering waiters.....	4	25.30	101.20				
No. 1 checker.....	1	57.50	57.50				
Assistant checkers.....	4	28.75	115.00				
Sailors' mess boys.....	2	20.70	41.40				
Firemen's mess boys.....	2	20.70	41.40				
Total.....			2,567.34				
Philippine Band leader.....	1	50.00	50.00				
Filipino bandsmen.....	5	45.00	225.00				
Total, purser's department.....	105		2,827.50				
Grand total.....	190		9,969.60				

## RECAPITULATION.

Deck department.....	37	\$3,001.00	Deck department.....	47	1,827.00
Engineer's department.....	48	4,120.00	Engineer's department.....	94	3,415.00
Purser's department.....	16	1,325.00	Purser's department.....	78	3,628.00
Chinese crew.....	89	1,523.60	Chinese crew.....	56	
Grand total.....	190	9,969.60	Grand total.....	275	8,870.00

<sup>1</sup> Mexican, at \$0.54 equals \$1,386.60 United States currency.

<sup>2</sup> Mexican, at \$0.50—\$137.50.

<sup>3</sup> Yen=\$0.4845 United States currency.

Excess of American wage cost over Japanese wages:

Per month.....	\$1,099
Per year.....	13,188

The last two Japanese ships are in actual competition with Shipping Board vessels in the trans-Pacific service.

"The proof of the pudding is the eating thereof," according to a very old saying that we all heard in our childhood.

When the hearings were in progress the American wages had just been reduced, while the British wages were undergoing curtailment. It was therefore easy for the opponents to the bill to make a comparison of American wages after the reduction with British wages before reduction. However, the correct proceeding has been followed in some of the tables which you will find in the hearings. These tables show what the pay would be on a British ship compared with an American ship if the British ships were as fully manned as the American ships.

It happens that not only in the amount of wages but also in the number of personnel the differential is against the American ship. There are more employees on an American ship, and that is caused partly by the seaman's law. We are not complaining about it, we think it is for the benefit of the men, for the benefit of the industry, but when you provide the conditions you must provide a way to meet the differential.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BANKHEAD. Does the gentleman assert that on the ordinary ships there are more men in an American crew than in a foreign crew?

Mr. CHINDBLOM. The entire personnel on the American ship is more than on the foreign ship.

Mr. BANKHEAD. I mean the unlicensed crew.

Mr. CHINDBLOM. The licensed and the unlicensed are both paid by the shipowners.

Mr. BANKHEAD. I think the gentleman is entirely inaccurate in his statement in reference to that matter.

Mr. LONDON. Will the gentleman yield for a short question?

Mr. CHINDBLOM. Yes.

Mr. LONDON. Has the gentleman the time to explain this? The gentleman from Tennessee [Mr. DAVIS] made a statement that the American crew was smaller than the crew on the foreign vessel.

Mr. CHINDBLOM. I did not hear the gentleman make that statement.

Mr. LONDON. He made that statement and it is an important statement of facts. Can the gentleman state what is the situation?

Mr. CHINDBLOM. I say that the American crew is larger and that the hearings bring that out. I say that upon a British ship they do not have as many men employed as they are compelled to have on the American ship.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. CHINDBLOM. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CHINDBLOM. Under the leave to extend my remarks I want to add that my statement about the number of the crews on American and British ships refers, of course, to the ordinary white crews. It would not be applicable to ships employing orientals, particularly lascars, who work for a pittance and never perform the labor of which a white man is capable. Some English ships also have so-called cadets or apprentices who are in training for future service. These are not members of regular crews and are not included in the ordinary wage scales.

The following tables, to which I have referred above, appearing on pages 459 to 469 of the hearings, show comparisons of the scale rates of pay upon various types of ships for the American Steamship Owners' Association, American private owners (marked "A. S. S. O. A."), the United States Shipping Board (marked "U. S. S. B."), and the British Shipping Federation (Ltd.), British private owners (marked "British scale"). These figures have been adjusted to the present rate of exchange (\$4.50 per pound sterling), while those in the hearings are shown as of April 1, 1922.

8,800 dead-weight tonnage type (Auburn).

[Dead-weight tonnage, 8,968; gross tonnage, 6,047; 3 boilers; coal burner; power tonnage, 8,547.]

Rating.	A. S. S. O. A., class B.			U. S. S. B., class C.			British scale.		
	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.
Master.....	1	\$275	\$275	1	\$270	\$270	1	£ 45	£ 45
First officer.....	1	165	165	1	165	165	1	21 10	21 10
Second officer.....	1	140	140	1	145	145	1	17	17
Third officer.....	1	125	125	1	130	130	1	13	13
Carpenter.....	1	70	70	1	65	65	1	12 10	12 10
Able-bodied seamen.....	6	47½	285	6	55	330	8	10	80
Ordinary seamen.....	2	35	70	2	40	80	1	24 10	24 10
Chief engineer.....	1	250	250	1	240	240	1	21 10	21 10
First assistant engineer.....	1	165	165	1	165	165	1	17	17
Second assistant engineer.....	1	140	140	1	145	145	1	13	13
Third assistant engineer.....	1	125	125	1	130	130	1	11	11
Oilers.....	3	55	165	3	65	195	3	10 10	30 10
Firemen.....	9	50	450	9	57½	517½	9	10 10	90 10
Coal passers.....	3	40	120	3	50	150	3	10	30
Chief steward.....	1	105	105	1	105	105	1	14 10	14 10
Chief cook.....	1	90	90	1	90	90	1	13 10	13 10
Second cook and baker.....	1	70	70	1	70	70	1	9 10	9 10
Mess boys.....	2	30	60	3	35	105	2	8 10	17
Radio.....	1	90	90	1	90	90	1	13 10	13 10
Boatswain.....	1	65	65	1	65	65	1	11 10	11 10
Messman.....	1	40	40	1	40	40	1	9	9
Donkey man.....	1	70	70	1	70	70	1	11 10	11 10
Total.....	41		3,135	39		3,187½	41		522 10

<sup>1</sup> Including allowance for superior certificate.

8,800 dead-weight tonnage type (Auburn)—Continued.

Rating.	A. S. S. O. A., class B.			U. S. S. B., class C.			British scale.		
	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.
Carpenter.....	1	\$70	\$70	1	\$65	\$65	1	£ 12 10	£ 12 10
Able-bodied seamen.....	6	47½	285	6	55	330	8	10	80
Ordinary seamen.....	2	35	70	2	40	80	1	24 10	24 10
Chief engineer.....	1	250	250	1	240	240	1	21 10	21 10
First assistant engineer.....	1	165	165	1	165	165	1	17	17
Second assistant engineer.....	1	140	140	1	145	145	1	13	13
Third assistant engineer.....	1	125	125	1	130	130	1	11	11
Oilers.....	3	55	165	3	65	195	3	10 10	30 10
Firemen.....	9	50	450	9	57½	517½	9	10 10	90 10
Coal passers.....	3	40	120	3	50	150	3	10	30
Chief steward.....	1	105	105	1	105	105	1	14 10	14 10
Chief cook.....	1	90	90	1	90	90	1	13 10	13 10
Second cook and baker.....	1	70	70	1	70	70	1	9 10	9 10
Mess boys.....	2	30	60	3	35	105	2	8 10	17
Radio.....	1	90	90	1	90	90	1	13 10	13 10
Boatswain.....	1	65	65	1	65	65	1	11 10	11 10
Messman.....	1	40	40	1	40	40	1	9	9
Donkey man.....	1	70	70	1	70	70	1	11 10	11 10
Total.....	41		3,135	39		3,187½	41		522 10

American private owners.....	\$3,135.00	United States Shipping Board.....	\$3,187.50
British, at \$4.50.....	2,351.00	British, at \$4.50.....	2,351.00
Difference.....	884.00	Difference.....	836.50
Difference:		Difference:	
American scale (per cent).....	28	American scale (per cent).....	25
British scale (per cent).....	37	British scale (per cent).....	35

<sup>1</sup> Carpenter and boatswain.

<sup>2</sup> Including allowance for superior certificate.

8,800 dead-weight tonnage type (west shore).

[Dead-weight tonnage 8,800; gross tonnage, 5,714; 3 boilers; oil burner, power tonnage 8,214.]

Rating.	A. S. S. O. A., Class B.			U. S. S. B., Class C.			British scale, 5,001/7,000.		
	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.
Master.....	1	\$275	\$275	1	\$270	\$270	1	£ 45 0	£ 45 0
First officer.....	1	165	165	1	165	165	1	21 10	21 10
Second officer.....	1	140	140	1	145	145	1	17 0	17 0
Third officer.....	1	125	125	1	130	130	1	13 0	13 0
Carpenter.....	1	70	70	1	65	65	1	12 10	12 10
Able-bodied seamen.....	6	47½	285	6	55	330	8	10 0	80 0
Ordinary seamen.....	2	35	70	2	40	80	1	24 10	24 10
Chief engineer.....	1	250	250	1	240	240	1	21 10	21 10
First engineer.....	1	165	165	1	165	165	1	17 0	17 0
Second engineer.....	1	140	140	1	145	145	1	13 0	13 0
Third engineer.....	1	125	125	1	130	130	1	11 0	11 0
Oilers.....	3	55	165	3	65	195	3	11 0	33 0
Firemen.....	9	50	450	9	57½	517½	9	10 10	31 10
Wipers.....	2	40	80	2	50	100	2	10 0	20 0
Chief steward.....	1	105	105	1	105	105	1	14 10	14 10
Chief cook.....	1	90	90	1	90	90	1	13 10	13 10
Second cook and baker.....	1	70	70	1	70	70	1	9 10	9 10
Mess boys.....	2	30	60	3	35	105	2	8 10	17 0
Radio.....	1	90	90	1	90	90	1	13 10	13 10
Boatswain.....	1	65	65	1	65	65	1	11 10	11 10
Messmen.....	1	40	40	1	40	40	1	9 0	9 0
Donkey men.....	1	70	70	1	70	70	1	11 10	11 10
Total.....	34		2,795	32		2,792½	34		450 0

American owners.....	\$2,795.00	U. S. S. B.....	\$2,792.50
British, at \$4.50.....	2,025.00	British, at \$4.50.....	2,025.00
Difference.....	770.00	Difference.....	767.50
Difference:		Difference:	
American scale (per cent).....	27	American scale (per cent).....	27
British scale (per cent).....	38	British scale (per cent).....	35

<sup>1</sup> Including allowance for superior certificate.

<sup>2</sup> Carpenter and boatswain.



## 5,500 dead-weight tonnage type.

[Dead-weight tonnage, 5,495; gross tonnage, 3,444; 2 boilers; coal burner; power tonnage, 5,344.]

Rating.	A. S. S. O. A., Class C.			U. S. S. B., Class D.			British scale, 3,001/5,000.		
	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.
Master.....	1	\$265	\$265	1	\$265	\$265	1	£ 43 0	£ 43 0
First officer.....	1	155	155	1	160	160	1	20 10	20 10
Second officer.....	1	130	130	1	140	140	1	16 10	16 10
Third officer.....	1	115	115	1	125	125	1	13 0	13 0
Carpenter.....	1	70	70	1	70	70	1	12 10	12 10
Able-bodied seamen.....	4	47½	190	4	55	220	7	10 0	70 0
Ordinary seamen.....	2	35	70	2	40	80			
Chief engineer.....	1	240	240	1	230	230	1	23 10	23 10
First assistant engineer.....	1	155	155	1	160	160	1	20 10	20 10
Second assistant engineer.....	1	130	130	1	140	140	1	16 10	16 10
Third assistant engineer.....	1	115	115	1	125	125	1	13 0	13 0
Oilers.....	3	55	165	3	65	195	3	11 0	33 0
Firemen.....	6	50	300	6	57½	345	9	10 10	94 10
Coal passers.....	3	40	120	3	50	150			
Chief steward.....	1	105	105	1	105	105	1	14 10	14 10
Chief cook.....	1	90	90				1	13 10	13 10
Second cook and baker.....	1	70	70	1	70	70	1	9 10	9 10
Mess boys.....	2	30	60	3	35	105	1	8 10	8 10
Radio.....	1	90	90	1	90	90	1	13 10	13 10
Messman.....	1	40	40				1	9 0	9 0
Total.....	34		2,675	33		2,775	34		445 0

American private owners.....	\$2,675.00	U. S. S. B.....	\$2,775.00
British, at \$4.50.....	2,002.50	British, at \$4.50.....	2,002.50
Difference.....	672.50	Difference.....	772.50
Difference:		Difference:	
American scale (per cent).....	25	American scale (per cent).....	28
British scale (per cent).....	34	British scale (per cent).....	38

¹ Including allowance for superior certificate.

² Steward and cook.

## Submarine boat type (Alcona).

[Dead-weight tonnage, 5,070; gross tonnage, 3,658; 2 boilers; oil burner; power tonnage, 3,158.]

Rating.	A. S. S. O. A., Class C.			U. S. S. B., Class D.			British scale, 3,001/5,000.		
	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.
Master.....	1	\$265	\$265	1	\$265	\$265	1	£ 43 0	£ 43 0
First officer.....	1	155	155	1	160	160	1	20 10	20 10
Second officer.....	1	130	130	1	140	140	1	16 10	16 10
Third officer.....	1	115	115	1	125	125	1	13 0	13 0
Carpenter.....	1	70	70	1	70	70	1	12 10	12 10
Able-bodied seamen.....	4	47½	190	4	55	220	7	10 0	70 0
Ordinary seamen.....	2	35	70	2	40	80			
Chief engineer.....	1	240	240	1	230	230	1	23 10	23 10
First assistant engineer.....	1	155	155	1	160	160	1	20 10	20 10
Second assistant engineer.....	1	130	130	1	140	140	1	16 10	16 10
Third assistant engineer.....	1	115	115	1	125	125	1	13 0	13 0
Oilers.....	3	55	165	3	65	195	3	11 0	33 0
Firemen.....	3	50	150	3	57½	172½	3	10 10	31 10
Wipers.....	2	40	80	2	50	100	2	10 0	20 0
Steward.....	1	105	105	1	105	105	1	14 10	14 10
Second cook and baker.....	1	70	70	1	70	70	1	9 10	9 10
Mess boys.....	3	30	90	3	35	105	1	8 10	8 10
Radio.....	1	90	90	1	90	90	1	13 10	13 10
Chief cook.....	1	90	90				1	11 10	11 10
Boatswain.....									
Messman.....							1	9 0	9 0
Total.....	30		2,475	29		2,552½	30		399 10

American owners.....	\$2,475.00	U. S. S. B.....	\$2,552.50
British, at \$4.50.....	1,795.50	British, at \$4.50.....	1,795.50
Difference.....	679.50	Difference.....	1,757.00
Difference:		Difference:	
American scale (per cent).....	27	American scale (per cent).....	30
British scale (per cent).....	38	British scale (per cent).....	42

¹ Including allowance for superior certificate.

² Steward and cook.

## Lake type.

[2,875 dead-weight tonnage; 2,000 gross; 2 boilers; coal burner; power tonnage, 3,800.]

Rating.	A. S. S. O. A., Class C.			U. S. S. B., Class E.			British scale, 1,001/3,000.		
	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.
Master.....	1	\$250	\$250	1	\$250	\$250	1	£ 42 0	£ 42 0
First officer.....	1	155	155	1	150	150	1	19 10	19 10
Second officer.....	1	130	130	1	135	135	1	16 0	16 0
Third officer.....	1	115	115	1	120	120	1	13 0	13 0
Carpenter.....	1	70	70	1	70	70	1	12 10	12 10
Able-bodied seamen.....	4	47½	190	4	55	220	6	10 0	60 0
Ordinary seamen.....	2	35	70	2	40	80			
Chief engineer.....	1	225	225	1	220	220	1	22 10	22 10
First engineer.....	1	155	155	1	155	155	1	19 10	19 10
Second engineer.....	1	130	130	1	135	135	1	16 0	16 0
Third engineer.....	1	115	115	1	120	120	1	13 0	13 0
Oilers.....	3	55	165	3	65	195	3	11 0	33 0
Firemen.....	6	50	300	6	57½	345	9	10 10	94 10
Coal passers.....	3	40	120	3	50	150			
Steward.....	1	105	105	1	105	105	1	14 10	14 10
Second cook and baker.....	1	70	70	1	70	70	1	9 10	9 10
Mess boys.....	2	30	60	3	35	105	1	8 10	8 10
Radio.....	1	90	90	1	90	90	1	13 10	13 10
Messmen.....	1	40	40				1	9 0	9 0
Cook.....	1	90	90				1	13 10	13 10
Total.....	34		2,645	33		2,715	33		430 0

American owners.....	\$2,645	United States Shipping Board.....	\$2,715
British, at \$4.50.....	1,935	British, at \$4.50.....	1,935
Difference.....	710	Difference.....	780
Difference:		Difference:	
American scale (per cent).....	27	American scale (per cent).....	28
British scale (per cent).....	37	British scale (per cent).....	40

¹ Including allowance for superior certificate.

## Lake type.

[3,390 dead-weight tons; 2,256 gross tons; 2 boilers; oil burners; power tonnage, 3,656.]

Rating.	A. S. S. O. A., Class C.			U. S. S. B., Class E.			British scale, 1,001/3,000.		
	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.	Number.	Pay per man per month.	Total.
Master.....	1	\$250	\$250	1	\$250	\$250	1	£ 42 0	£ 42 0
First officer.....	1	155	155	1	155	155	1	19 10	19 10
Second officer.....	1	130	130	1	135	135	1	16 0	16 0
Third officer.....	1	115	115	1	120	120	1	13 0	13 0
Carpenter.....	1	70	70	1	70	70	1	12 10	12 10
Able-bodied seamen.....	4	47½	190	4	55	220	6	10 0	60 0
Ordinary seamen.....	2	35	70	2	40	80			
Chief engineer.....	1	225	225	1	220	220	1	22 10	22 10
First engineer.....	1	155	155	1	155	155	1	19 10	19 10
Second engineer.....	1	130	130	1	135	135	1	16 0	16 0
Third engineer.....	1	115	115	1	120	120	1	13 0	13 0
Oilers.....	3	55	165	3	65	195	3	11 0	33 0
Firemen.....	3	50	150	3	57½	172½	3	10 10	31 10
Steward.....	1	105	105	1	105	105	1	14 10	14 10
Second cook and baker.....	1	70	70	1	70	70	1	9 10	9 10
Mess boys.....	2	30	60	3	35	105	1	8 10	8 10
Radio.....	1	90	90	1	90	90	1	13 10	13 10
Cook.....	1	90	90				1	13 10	13 10
Messman.....	1	40	40				1	9 0	9 0
Total.....	27		2,305	26		2,397½	27		367 0

American owners.....	\$2,305.00	U. S. Shipping Board.....	\$2,397.50
British, at \$4.50.....	1,651.50	British, at \$4.50.....	1,651.50
Difference.....	653.50	Difference.....	746.00
Difference:		Difference:	
American scale (per cent).....	28	American scale (per cent).....	31
British scale (per cent).....	40	British scale (per cent).....	45

¹ Including allowance for superior certificate.

² Cook and steward.

## SUBSISTENCE DIFFERENTIALS.

The seamen's act requires all merchant vessels of the United States, the construction of which had been begun after the passage of that act on March 5, 1915, to provide a space of not

less than 120 cubic feet and not less than 16 square feet, measured on the floor or deck, for each seaman or apprentice lodged therein, and also requires a separate berth for each seaman and provides that not more than one berth shall be placed one above another. Various other requirements are also made with reference to light, drainage, heating, and ventilation. These requirements, while beneficial to the crew, make an additional cost to the American operator. Table 15, on page 472 of the hearings, shows the subsistence cost in American and British ships as of April 1, 1922, according to the minimum scales prescribed by statute, and discloses a differential per man per day of 12½ cents. This amounts to \$3.67½ a month, or \$44.10 per year. For a crew of, say, 35 men this would be an annual excess of \$1,543.50. As a matter of fact, the difference in cost of subsistence between American and foreign crews is much larger than measured by these minimum statutory requirements. American seamen will not and should not be required to subsist on the same quality and quantity of food as is given to men of lower standards of living and intelligence.

Table 15 in the hearings agrees with the tables submitted by the president of the International Seamen's Union on pages 1364 and 1365, but the latter tables do not include prices.

It must be clear that these differentials in cost of construction and of operation of American ships make it necessary that Government aid be given to establish and maintain our American merchant marine until the business has been so firmly rooted as to be able to absorb these excess charges.

During my brief service of three years in the House I have voted Government aid to railroads, to agriculture, to roads and highways, to reclamation of arid lands, to public health, to education, to droughts, to floods and other disasters, to say nothing of the hundreds of millions which have been voted and expended both prior to and during my service to individuals and corporations for damages and losses sustained in the war which were not based upon legal contracts and therefore were not cognizable in the Court of Claims. Now, finally, when a great constructive proposition is laid before the Congress for the purpose of establishing and maintaining the greatest instrumentality for foreign trade and for domestic prosperity, we are met by the old familiar cry of favoring special interests and so-called trusts. The truth is that the Government through the Shipping Board to-day owns 80 per cent of all vessels documented under the American flag. The Government is the great trust in this business, and we are trying to distribute its property and facilities among the people in order to firmly establish private operation of its great fleet. Continued Government operation means enormous annual appropriations to pay losses in operation, still amounting to fifty millions per year (though reduced from two hundred millions per year within the last 18 months), and means also the continued deterioration of the ships without necessary upkeep and replacement or augmentation of types needed to balance the fleet and make it serviceable for all the different kinds of commerce. The present bill offers the only practicable, workable, and hopeful solution of one of the most difficult problems that has ever confronted our Nation, and at the same time affords an opportunity for the return of our beloved country to its proud position, held of old, as one of the great maritime nations of the earth.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 35 minutes to the gentleman from Nebraska [Mr. JEFFERIS].

Mr. JEFFERIS of Nebraska. Mr. Chairman and gentlemen of the committee, as a resident of the Central West I prefer to discuss this question in what I have prepared not from a partisan standpoint nor from the standpoint of retaining a seat in the great legislative body of the United States. I would prefer to discuss this question in what I have prepared from the standpoint of a more active, more extended United States.

The "do-nothing" policy of the Government for the aid and encouragement of an American merchant marine found this Nation practically destitute in the matter of water transportation 24 years ago at the outbreak of the Spanish-American War. The sudden emergency had to be met, regardless of cost, necessitating the expenditure of millions of dollars for the hire and purchase of vessels at exorbitant prices. In some cases the Government paid more for the hire of a small ship to carry a regiment of American volunteer soldiers from San Francisco to Manila Bay than the vessel originally cost.

When Admiral Dewey, at Hongkong, received orders to proceed to Manila and destroy the Spanish fleet he had to secure a steamer from a Hongkong steamship company to pilot the American fleet across the China Sea and into Manila Bay.

During the emergency and feverish excitement of the late World War the United States spent more than \$3,000,000,000 for ship construction.

The loss to the Government through the operation of a portion of these ships during the fiscal year of 1920 was about \$16,000,000 per month, or some \$200,000,000 for the year, an enormous sum.

The Congress of 1920, in an effort to lessen the excessive drain on the Treasury and to assist in the utilization of the Government ships in the establishment of an efficient merchant marine in foreign trade, declared its policy by law to be the establishment of foreign trade routes in order to induce the sale of the Government ships to private owners and operators.

Under the management of a reorganized Shipping Board, as competent as can be obtained, the congressional policy of 1920 has been pursued, with the result that the Government is now operating some 400 of its 1,400 steel ships at a loss to the Federal Treasury of about \$4,000,000 per month, some \$50,000,000 annually. The remaining 1,000 ships are tied up, not in use, and deteriorating with the passing of time. Government operation of the 400 ships has discouraged private American ship operators, who receive no part of the \$50,000,000 loss to the Government, and has destroyed all hope for the sale of the Government ships to private American operators as was intended by the shipping act of 1920. A continuance of this policy will make certain the ultimate destruction of the Government ships through deterioration and lapse of time.

These experiences and conditions prompt the administrative department and a joint committee of the Senate and House to offer a less expensive plan to induce the sale of Government ships to American operators in an effort to extend through their more flexible management a more extended and efficient merchant marine for the transportation of American foreign commerce.

My study of this business problem of the Government leads me to favor the pending bill to subsidize an American merchant marine—to extend Federal financial aid, if you please, to American ships based on their tonnage, speed, and miles traveled. I believe that the experience of the past teaches us that the United States will not have a merchant marine adequate for its needs until it grants financial assistance to private American ship operators, as have and do other nations to enable their ship operators to engage in the carrying of foreign commerce.

I believe that the granting of Government aid, direct and indirect as intended by this measure, to private enterprise to the extent of thirty millions of dollars yearly will create an efficient merchant marine and at the same time establish a new field of industry for the employment of an appreciable portion of American labor and capital; that the extension of such an industry upon salt waters instead of exerting its powers to further add to our ever-increasing surplus of land products will of itself create a better domestic market for them.

I further believe that the greatest needs of the United States for the future are new markets—foreign markets—for the consumption of its products.

To confine the labor and capital of our entire people to land production and transportation of supplies for our one hundred and ten millions of people in the 48 States will not spell progress and prosperity for the future, but that the employment of a considerable part of American labor and capital upon the seas as carriers of our surplus products to the billion six hundred millions of people of other nations will spell progress and prosperity for the future of the people of this Republic.

For 50 years prior to the World War the efforts of the Government and of its people have been largely directed to the production and transportation of products on land. During this period the greater possibilities of industrial expansion have been overland. Americans became a land-thinking people and the sea was well-nigh forgotten. We grew to think of trains and automobiles gliding along railroad tracks and hard-surfaced highways within the confines of our wonderful country. We lost sight of the ocean highways which surround us on three sides and which connect us with the rest of the world.

Much of the discontent among our people is caused by overproduction. To a considerable extent it exceeds the home consumption. This, according to the law of supply and demand, brings stagnation in our home markets which could be the more quickly and effectively relieved if a portion of our people were directly engaged in carrying our surpluses to the ever-increasing foreign markets. The relief and stimulation of the home markets thus obtained would allay the strife often manifested among various groups of producers which in times of depres-



sion contend for advantage, each thinking the others get the fat while they get the lean, and hence they drive each other about, so to speak, like squirrels in a cage—a fast and exciting race at times but one that ends just where it began—no new outlet is found, no permanent relief obtained.

If the different producing bands within the Nation would but consider the general welfare of all, they would willingly unite to support a reasonable compensation made possible by Federal aid, if you please, to induce a portion of America's capital and labor to buy and operate ships for the extension of American trade in the foreign markets of the world.

An American merchant marine of the required size and speed, sufficient to transport the Nation's foreign commerce, is of great economic importance. It would insure the retention to American labor and capital of the compensation we have been paying to the subsidized steamship lines of other nations to an extent of many billions of dollars during the last 50 years.

It is folly to believe that any nation is going to look to our interests before it does to its own.

Ship operators of other nations would like nothing better than to carry every ton of our foreign cargo in their ships at their own rates. They would not only monopolize the carrying of our foreign commerce but would take over the trade itself if possible.

American producers when shipping their products in vessels flying the American flag will have no fear of foreigners stealing trade secrets or losing customers, as is frequently the case where goods are shipped in foreign bottoms.

The American flag must not be torn from the ships' masts upon the high seas through the arts of nonaction, obstruction, or destruction. Our flag's place upon the ocean has not been bought by American dollars only; its value in American blood can never be estimated—God forbid that any attempt should ever be made to place an estimate upon that.

The time has come when America's future industrial development demands the operation of regular American steamship lines to extend the railroad routes of our commerce across the seas. We have the facilities to transport our surplus products to our coast ports. All we now need to complete our system are the St. Lawrence deep waterway and the extended arm of transportation to span the oceans as our railroads and highways do the land.

The proposed measure is not an effort, as some claim or seem to think, to provide exorbitant compensation to private American ship operators for the purpose of making millionaires at the expense of the Federal Treasury. Such arguments may appeal to the prejudices of some of our people but it can not appeal to their reason nor does it make for their progress or their domestic tranquillity.

#### A FORWARD-LOOKING MEASURE.

The construction loan fund as provided in this bill will result in additional savings to the taxpayers of the Nation. This provision will not place in the loan fund any appropriations made by law or any profits made by the operation of vessels.

It will cover into the fund all moneys received from the sale of vessels and all interest received therefrom at a rate of not less than 2 per cent, though I would prefer 4 per cent, annually, as in the discretion of the board the same is loaned from time to time for the construction of other and different types of merchant vessels. This will relieve the Government from the necessity of borrowing to create the fund and will call for no part of the taxes collected from the people. In fact, it will transform ships now tied up and deteriorating or which are operated at a loss to the Government into a loan fund for the building of new vessels or the remodeling of vessels now in existence. The interest which the Government is required to pay on bonds already issued and from the proceeds of which the ships were constructed goes on from year to year though the ships remain idle or are operated at a loss, whereas a transformation of the vessels into a fund of money, then loaned at some rate of interest, be it great or small, will produce a Government revenue which will ultimately recoup into the National Treasury a portion of the interest which the Government pays on the bonds from which the ships were originally constructed and also the proceeds from the sale of the vessels.

The American farmer and manufacturer between the Alleghenies and the Rockies are intelligent, thinking men. They know that they produce a greater volume of the products which constitute the outgoing cargoes of our foreign commerce than do the coastwise section of the Nation.

I believe that these producers would prefer to have an efficient, privately owned, and operated American merchant marine, aided, if you please, by the Federal Government to the maxi-

mum amount of \$30,000,000 per year rather than to continue a Government operated one at a minimum expenditure and loss of \$50,000,000 annually.

The National Government for years has appropriated millions of dollars to the Department of Agriculture. The scientific teachings of the department has stirred American farmers to greater activity and enabled them to become more efficient and productive producers. Why continue to spur the farmers of America to produce more and more, and only provide highways over which to haul his products to our 110,000,000 people when across the seas there live 1,600,000,000 people?

This bill is a real forward-looking, economic measure. It seeks to reduce Federal expenditures by \$20,000,000 per year which is wasted through a competent but centralized government operation of some 400 vessels, while 1,000 vessels deteriorate and rot.

#### SUBSIDIES COMMON.

This measure invites the American producer to lift his vision to the extended markets across the waters. The ships that carry trade control it. Liverpool will control or seriously influence the grain markets of the world so long as British steamship companies determine the grain-trade routes of the seas and the rates and charges therefor.

The American farmer paid an enormous subsidy to foreign ship operators during the World War. Before the war was over it cost him 48 cents per bushel to transport wheat from New York to Liverpool. At the beginning of the war it cost the American cotton grower less than a cent a pound to transport cotton to Europe. Before the war was over it cost him 3 cents a pound.

Great Britain enjoys the distinction of being mistress of the seas. Americans know that in gaining this position she aided steamship lines.

Britain's contract with the Cunard Steamship Co. for mail service every Saturday from Southampton to New York provides for a payment amounting to \$317,793.

The construction of the *Lusitania* and *Mauretania* was the result of a special contract between the British Government and the Cunard Steamship Co., which provided a mail subsidy of £68,000 per year for a period of 20 years, and a Government loan of £2,600,000, or nearly \$13,000,000, at an interest rate of 2½ per cent.

Similar contracts of the British Government have been the inducing cause in establishing steamship lines and trade routes to all parts of the globe. France has subsidized steamship lines, and no doubt Germany will resume its previous practice in this regard.

The private operation of American ships in foreign commerce intended to be aided by this measure will provide the Nation with the flexible and more versatile management of different steamship companies. These managements will acquaint themselves with the conditions of trade and the wants of different markets more thoroughly than can a centralized government management. A company having its funds invested in ships will rustle business for different markets in an effort to profit by its enterprise, because no company can operate vessels for the mere Government aids provided in this bill.

Man from the beginning of time has advanced only when he was inspired by hope that he might gain some of the fruits of the world by honest labor and faithful endeavor. I am one of those who believe that every wise and just subsidy granted by Nation, State, county, or city has been a stimulus which has urged to more efficient action those who hoped to prosper in the battle and strife of life.

#### SHYING AT SHADOWS.

Why should Congress shy at the mere shadow of the word "subsidy," as it pertains to this bill, when it means a saving of more than \$20,000,000 per year to the taxpayers of the Nation?

Why pay foreign shipowners to transport our ocean commerce and thus furnish profit to foreign labor and capital in the building, repairing, and operating their ships?

Why not grant aid for American enterprise upon the high seas, as the Nation, States, cities, and counties have done to aid land developments during the past 70 years of our Nation's history?

#### PRECEDENTS NUMEROUS.

Congress since 1850 has been granting subsidies to induce men to initiate, to invest, to risk their all in land pursuits for their immediate gain and compensation, though in a larger sense for the Nation's development and the general welfare of its people.

The Government by the homestead laws aided home building by prompting pioneer men and women to launch their



prairie schooners upon the rolling plains, there to exercise their individual initiative, their strength and courage in the reclamation of the empire of the West—the real bread basket of the world.

States, counties, and cities have voted bonds aggregating millions of dollars and Congress has made land grants of more than 150,000,000 acres of land in the various States as stimulating aids to attract and induce investors and builders to construct railroads, wagon roads, and canals for the better transportation of domestic commerce and for the common welfare of the Nation. The railroads when constructed gave rebates as aids to induce business enterprises to locate along their right of way. Cities have granted franchises to persuade investors to construct gas and electric light plants, water systems, and street railway lines. Western States, to improve live-stock production and to conserve impounded irrigation waters in reservoirs and collaterals, have paid bounties to men and boys for the killing of wolves, coyotes, and other destructive animals. County fairs give prizes to stock raisers and grain growers to stimulate their efforts in the production of better and higher grade products for the mutual benefit of the individual producer and consuming public.

Congress in recent session has appropriated millions of dollars for the avowed purpose of aiding and inducing the people of the respective States to build better highways for the quicker transportation of their products to the near-by distributing and consuming centers.

To further facilitate the transportation and exchange of domestic products, Congress a few years ago, while catching the intrepid spirit of the immortal Roosevelt, built the Panama Canal as a water highway, at a cost of some \$400,000,000, to induce men to venture upon the waters which dash upon our shores as carriers of commerce in the coastwise trade of the Nation.

May this the Sixty-seventh Congress catch the inspiration of President Harding, visualize America's opportunity, sell the Government ships to private owners and operators for extension of its trade in times of peace—its protection and defense in times of war—place an efficient American merchant marine upon the high seas, manned by American seamen, carrying American commerce beneath the American flag by the enactment of the pending measure. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. JEFFERIS of Nebraska. Yes.

Mr. BLANTON. Is it not a fact that at the time Great Britain loaned the £2,000,000 to the Cunard Line to build the *Lusitania* and the *Mauretania* England could borrow all of the money she wanted at 2½ per cent?

Mr. JEFFERIS of Nebraska. I do not know what the fact is in that respect. I said that I would prefer 4 per cent to 2 per cent.

Mr. BLANTON. I just wanted to make that clear, because we are proposing to loan the money at half of what the money costs us.

Mr. JEFFERIS of Nebraska. I did not happen to live over in England at the time, and I do not know the facts. Mr. Chairman, I yield back the remainder of my time.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 25 minutes to the gentleman from Washington [Mr. JOHNSON].

#### IMMIGRATION FEATURES OF MERCHANT MARINE BILL.

Mr. JOHNSON of Washington. Mr. Chairman, I support this merchant marine bill. We of the Pacific coast know what it is to be without American ships. We have seen British ships, Japanese ships, and tramp ships come in ballast for the wheat from the interior, or not come until the price was right. If other ships can come to us in ballast, our own ships may go one way without cargoes. Shipping Board ships carrying loads to Japan were taken off last year because of no return cargo. Of course not. The cargoes come in Japanese bottoms, and now they are taking out our cargoes—everything from the machinery of Pennsylvania and Ohio to the lumber of the north Pacific. There is a differential, mark that. We can meet it with this bill and probably in no other way. [Applause.]

I had intended to pay some attention to Title III of the bill before us, which relates to the transportation of immigrants by water and which contemplates that as nearly as possible 50 per cent of the immigrants which may be permitted to come to the United States shall come in vessels registered, enrolled, and licensed under the laws of the United States. As the hour is late, I shall postpone that part of my statement until the section in question is reached. I will say, however, that the principle involved is correct, and that once we have adopted it we can proceed with immigration legislation along much more scientific lines than has heretofore been possible and through control can set a standard—can set the standard desired by our people.

Some have thought that authority to carry approximately 50 per cent of incoming aliens on American ships might be an entering wedge, to be used later for the striking down of the heavy restriction of immigration. But I think not. I believe the immigration laws will be made still more strict, particularly when the people of the United States learn, as they will shortly from official records, that the average amount of cost for insane, feeble-minded, criminal, diseased, deformed, and dependent aliens in the penitentiaries and eleemosynary institutions of the various States is on an average 7 per cent of all the taxes collected by the States. That is the burden we are paying for carelessness in the past with regard to the admission of great numbers of immigrants. What we will pay in the future as the result of the undigested immigration now here time alone can tell.

Mr. Chairman, let me state that once more. The care of the foreign born in the prisons and eleemosynary institutions of the various States which comprise this Union costs 7 per cent of all of the gross income of the several State governments. That is about twice what the States pay for interest charges. Of course, States with great alien population, like New York, Pennsylvania, Massachusetts, and Illinois, pay more for the care of alien defectives than do States which have fewer aliens, but the average cost is 7 per cent of all State taxation. This does not include costs of aliens in county institutions, such as jails, hospitals, and poorhouses.

And yet because the restriction of immigration to 3 per cent of the various nationalities here in 1910 has played a considerable part in the increase of wages to common labor, the cry goes up from those who would benefit most that we must have more immigrants in order to supply us with more and cheaper labor. Joining in the chorus are those who would bring from Greece as many of the 1,000,000 refugees as can be brought and those who would bring all of the other stricken peoples from all parts of the world to our shores if they could. About one person in every five in Greece is a refugee from some place in Asia Minor.

Mr. Chairman, what are those who are demanding an influx of cheap alien labor thinking about? Do they think of profits, or of population, or posterity?

Do not they know that the quotas of immigrants permitted to come from the north countries of Europe are unfilled? Must they always have a hole at Ellis Island opened big enough to admit a million or a million and a half immigrants per year, so that they may give wretched employment to possibly one-fourth of that number? They talk of alien labor as they would talk of that many tenpenny nails. They seem never to think of the wives and children of these aliens, who must either come now or remain behind, to be part of the wretched wreckage of Europe.

Does not the pitiful story from Pennsylvania, printed the other day, of the alien mother of several children who received \$1 a month from her wretched husband's miserable pay check for work in the coal mines, after it had been through the abominable "company store" process, make even a dent upon those who preach Americanization and yet want a million idle aliens always standing around waiting for jobs? As far as I am concerned, I shall stand to the last against the cry.

Let Mr. Gary, Mr. Mellon, and others read the editorial in the New York World of yesterday, which newspaper, by the way, opposes heavy restriction of immigration. The editorial is headed "No Americans need apply." It reads as follows:

#### NO AMERICANS NEED APPLY.

One reason why the coal industry of the country remains an unreliable and hand-to-mouth affair is brought home to New Yorkers by the demand of employment agencies for foreign miners to work in the anthracite field. Russians, Poles, Lithuanians, Magyars, and Scandinavians are listed as desirable. Even Englishmen will do. But no Americans need apply.

There is a very simple reason why the operators want foreigners in the mines. A man from Poland or Lithuania has not acquired the American standard of living and therefore can get along contentedly on small wages. He can't speak the language of his adopted country nor is he accustomed to its ways; he is therefore unsure of himself, unable to state his case, and easily frightened. He will work hard because he is used to hard work, and will ask for little because he is used to receiving little.

But when he has joined a union or learned his way about he begins to ask for more, and at that point his desirability as a miner begins to wane. The operators look around for other fresh and hopeful immigrants to take his place. If they employ Americans or retain foreigners who have picked up American ways, it is only because the immigrant supply is inadequate.

While this condition exists it will be impossible to standardize wages, output, profits, or prices in the coal business. The industry is built on the exploitation of cheap and ignorant labor, on the proposition that a laborer is worthy not of the wages he earns but of what he knows enough to get. Recurring strikes are inevitable as a protest against such a policy, and strikes again play into the hands of the operators by creating fuel shortage. The crux of the problem before the coal commission is patent in this discrimination against native-born workmen.

Mr. Chairman, for that editorial I forgive the World for all of its assaults on the policy of restriction and for all of its



jibes at the emergency legislation. It has stated the situation, and it makes one of the points that has led myself and others to strive for restriction, even if industry and activity in the United States is slowed down, which will not happen.

Was James R. Howard, president of the American Farm Bureau Federation, justified in saying at Syracuse Wednesday that—

Immigration restriction is undoubtedly affecting the prosperity of the country, and particularly of the farmer.

Mr. Howard declared the present law was limiting the amount of manual labor in this country, and one of its natural and inevitable results was a shifting of labor from the country to the city, presenting a tremendous handicap to the farmer in production.

Another phase of the question mentioned by Mr. Howard was that the restrictive law forced prospective immigrants to seek other shores and become natural competitors of American farmers, adding still more to the depression they had been fighting for three years.

"It is a big problem for Congress," Mr. Howard stated, "and revision of the present law undoubtedly is needed. I do not favor admittance of immigrants indiscriminately, nor do I favor the educational test, but I am in favor of letting in all good, honest persons who really want to be citizens. It is the hard-working, honest person who can be absorbed best in the citizenship of the country."

What plan has Mr. Howard for letting in hard-working, honest persons? Are not all persons potentially honest and willing to work, unless permeated with the ideas of socialism, bolshevism, sovietism, or revolution?

Do not the farmers know that the first big immigration following the World War—fiscal year ended June 30, 1921—brought to the United States more than 800,000 aliens, of whom only 2 per cent were farmers and only 3 per cent farm laborers? What do those who talk of selection and distribution mean? Who is to select? What have you to promise? How is distribution to be made, and how is the distributed alien to be made to stay at a given place?

The tailors, too, are joining in the cry of labor shortage, assuming that people generally do not know that the making of clothing is changing from bench to machine so rapidly that a custom-made suit will soon be as scarce as a hand-made shoe.

There is no real shortage of tailors in this country, though a shortage is felt by tailors in the smaller communities. Native Americans have been driven out of the tailoring business by alien workers, who congregate in the large tailoring centers—New York, Boston, Philadelphia, Chicago, Baltimore, Cincinnati, Cleveland, Indianapolis, and Rochester.

The high cost of clothing is not due to a shortage of workers, but to the labor union known as the Amalgamated Clothing Workers of America, which recently received from the soviet government of Russia a concession to manufacture clothing in Moscow, an enterprise for which they sold \$5,000,000 worth of stock among their own members in the United States.

This organization's weekly paper, *Advance*, is one of the "reddest" permitted to circulate in America. Only a small percentage of its members are skilled mechanics, but in the manufacture of clothing in the big shops the making of a garment is divided into so many operations that a new worker may easily be taught any one of them. Thousands of Russians without any experience in tailoring have come to this country, been inducted into the union without the payment of any dues whatever, and given jobs which enabled them to earn from \$40 to \$60 for a 44-hour week from the start.

And yet we profess not to be surprised to see in the substantial New York Times of only yesterday these flaming headlines:

Reds seek control of needle trades—Hope to combine unions into one "militant revolutionary organization"—William Foster is leader—Ladies' garment workers and clothing workers have felt force of movement.

This is followed by a story to the effect that radicals and communists under the direction of the Trade Union Educational League, headed by William Z. Foster, have launched a campaign to convert the needle trade unions of the city into "militant revolutionary organizations" and amalgamate them into one big industrial union. The news report continues:

Meeting in the New Star Casino on Monday night, the radicals laid their plans for the movement which will affect more than 200,000 workers in the ladies' and men's clothing trades, as well as the fur and cloth hat and cap makers. L. Reinsch, of Local 5, Amalgamated Clothing Workers of America, and leader of the left wing group in that union, was selected to head the campaign.

The radicals have launched an attack upon the officials of the International Ladies' Garment Workers' Union and are attempting to stir up factional strife. The attack is made principally against Benjamin Schlesinger, president, who, after a recent visit to Russia, denounced communism.

General office officials of the Amalgamated Clothing Workers' Union, which has already suffered at the hands of the radicals, were striving yesterday to save the New York organization from being completely wrecked. Efforts were being made to set up a temporary organization to function on behalf of the 50,000 men's clothing workers until the arrival of President Sidney Hillman from Russia next week.

We profess, too, not to be surprised when we learn that the radicals and internationalists ride around the country in groups on freight trains free of charge on their red cards—their red

badges of revolution. No, gentlemen, the immigration bars will not be lowered, whatever the appeal. They should be tightened.

The House Committee on Immigration will be ready to hold brief hearings at the beginning of the winter session, with a view to the final preparation of the bill, which will correct the present quota act, further restrict immigration of undesirable, avoid the splitting of immediate families, increase the mental and health tests, and carry a clause denying permanent residence to those aliens not eligible to citizenship. Will the House vote for such a bill? I think so. Does the country want such a bill? Yes; and the country wants it now.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. PARKER].

Mr. PARKER of New Jersey. Mr. Chairman and gentlemen of the committee, I am really very much astonished to find that so many Members of this House and some of the leaders of the minority upon the Committee on the Merchant Marine and Fisheries do not see the absolute necessity, as well as the policy, of maintaining an active merchant marine at any cost. That merchant marine is the eye of the Nation in time of peace. It is the scout that builds and keeps our commerce and protects our trade, which we can not always trust to the vessels of rivals, who would look for our custom while they carried our goods. It is an absolute necessity as an aid to our Navy in time of war. It is for that reason that we spent \$3,000,000,000 in building ships which were intended to carry food and men. It is for that reason that we have now 14,000,000 tons, or, reduced to active vessels, 10,000,000 tons of vessels now on hand; and it is beyond all belief that patriots would be so blind as to allow that merchant marine to rot at the wharves and be lost and leave us in the same position that we were before it was built, when the World War began. What we are seeking is to make it possible for Americans, not for the Government, to build, own, operate, and serve in ships. Nothing stands in our way except that if we man these ships by Americans we must pay American wages, and if we pay American wages we can not run the ships in competition with the ships of other countries without aid and protection.

There is one other question, and that is the question of taxation. Some of our towns have been foolish enough to tax ships that are owned by their citizens as if they were private property, in spite of the provision in the Constitution that no State shall lay any tonnage duty on ships. It has been held that they have the right to tax ships as property of their citizens, and if the shipowners pay 3 per cent or 4 per cent municipal tax in some towns on the total value of the ships, whether they run or not, they can not be kept, and American shipowners can not live.

Towns that have their own advantage at heart will sooner or later see the need of preventing that course. I think it ought to be prevented by this law, and that there should be a provision in this bill that any vessel wherever documented may be owned by a corporation of the District of Columbia, so as to be under the control of the United States, and that when so owned those ships should not be subject to local taxation. Of course the stock of that company owned anywhere else might be taxable, where the stockholder is residing, but the ships ought to be released from that burden.

However, as I said before, the main question is one of wages. If you will turn to page 2087 of the voluminous hearings you will find a statement that shows that at the present time a chief engineer in England receives from \$110 to \$122 a month and in America from \$305 to \$350 a month, or nearly three times as much, and that difference runs throughout all of the different ranks of mates, captain, and so forth. When you come to the total wages of the ship you will find a statement at the bottom of the page showing them on a vessel, I think, and showing that America pays its deck crew \$1,948, while the British pay the deck crew \$1,123, the Japanese \$1,202, and the Norwegians only \$795. The same difference runs through the engine and steward forces—engine: American, \$2,677; British, \$1,307; Japanese, \$1,580; Norwegian, \$900. The American always pays from two to three times as much for officers and engineers, and he pays at least nearly twice as much for all of the rest of the crew. On page 2108 there is a very careful recapitulation for ships of 5,000 tons, 8,000 tons, 11,000 tons, and 23,000 tons. On the 11,000-ton ships the total of all three departments—deck, engine, and steward—on the American is \$11,715 a month and on the English \$8,067 a month. On the 21,000-ton vessel the deck crew of the English costs \$2,774 and of the American \$6,162, while the engine crew of the English costs \$6,080 and American \$11,515.

On the 8,000-ton vessel the deck and engine crew cost \$8,045 a month for Americans and only \$3,931 a month for the English. But I need not go on with these figures.



The only thing that will enable Americans to run ships is somehow or other to make it profitable to do so in spite of the difference in wages. It is proposed by this bill to do this, and I shall support the bill. I have sometimes thought it could be done by a simple provision that the United States would repay to any American ship operator two-thirds of the wages of any American who was employed on board while engaged in the foreign trade, and one-third of the wages of all others, my idea being to induce vessels to employ Americans, because in time of war we want an American-manned ship as well as a ship American owned and flying the American flag, and so that in trade, in commerce, and in war we will have men ready to man our ships.

Let us also point out that before the World War there were still further difficulties attending American navigation, and that those difficulties are likely to return. It does not seem to be generally known that the great German liners in 1904 and 1906 were largely, if not almost exclusively, manned by men who had been called for military service and were allowed to do their military service by serving aboard the ships. That same policy was followed in France and in Italy, and that same policy will be followed again and we will have to meet it.

Nor is it generally known that in the endeavor to get trade Great Britain always, regardless of the protection of her working people, had gone more and more to the employment of lascars, men from the Indies or east of the Indies, as sailors, and their ships at that time had some 40 per cent of their sailors of those nationalities.

I think the same condition exists now, but I do not know. It may be that the men who went in during the war are now manning her merchant marine. But these conditions will come again. At that time our own Pacific fleet of merchant liners was employing Japanese and Hawaiians and lascars, and at that time our subsidy bill as then introduced dared only say that one-quarter of the crew shall be Americans. Thank God, we now have a provision that two-thirds of the crew shall finally be Americans.

My proposition, as above stated, would be to put a premium upon the employment of Americans by repaying more of their wages and to hope thereby that owners for self-interest would make the crews exclusively Americans, as they were in ancient days. I go back, my friends, to my recollection of the old sea tales and the time when American men and the crews on the fishing vessels, whaling vessels, and vessels that made various long voyages to unknown countries on unknown seas in the hope of profit, had every man on board share in the gain. I look back with pride to the days when those men in time of war, in the Revolution, in the War of 1812, fought our battles, and these same men in 1798 fought and captured French privateers. They stood up for the country as only seamen can do, for there is no other training for peace or war which so develops a man as training on the sea, where he has to meet new dangers from time to time and day to day and be always mobilized.

I am ready to sacrifice anything to get a bill which will make it possible for Americans to sail the seas. I am ready to vote for this bill, with all its imperfections, which I hope will be corrected elsewhere or corrected here as they are reached, but I can not see this crisis pass without remembering that the fleet we have will go to rot and ruin unless some such measure as this is passed, while the opposition proposes no alternative plan for providing an American merchant marine to sail the seas and to make it possible for Americans to do it.

Let us state our object again. It is that we shall have American ships built in American yards, manned by American seamen, flying the American flag, to carry the glory of this country all over the world in time of peace, to do the work of peace upon the great highways of the world, and to support and make effective the defense of this country in time of war. [Applause.]

Mr. BANKHEAD. I would like to use a little time. I yield 10 minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman and gentlemen, this subsidy bill reminds me of a study of inveterate criminal types made some time ago by a famous criminologist. He describes a criminal who was being led to the gallows. A kindly minister was by his side whispering into his ear words of consolation. Appearing to listen intently, the poor wretch by sheer force of habit proceeded to pick the pocket of the minister.

The Republican Party, under a sentence of death, proceeds to steal something from the Treasury of the United States. [Laughter.] They call it "a subsidy."

The war has been employed as a pretext to build up a private merchant marine at the expense of the Treasury of the United States.

Out of 2,300 ships constructed or acquired by the Shipping Board, 1,900 were constructed after the armistice, after the war had ended.

Three billion dollars have been expended for ships which we are told can not be sold for more than \$200,000,000 now. How much of the \$3,000,000,000 has been stolen will probably never be known. The stealing was largely legal stealing, the kind that is neither petty larceny nor grand larceny but is glorious larceny. The 100 per cent lip patriots have managed to get contracts providing for fabulous prices for anything they did for or sold to the Government.

Plutocracy has no flag and no country. Its thieving proclivities grow with the distress of the Nation.

Not only does the present bill propose to practically give away the ships to private shipping interests, but we are called upon to pay for years to come a contribution out of the National Treasury to the very same interests for their kind acceptance of the fleet. It is claimed that the Shipping Board can not operate the ships except at a minimum loss of \$50,000,000 a year, and that the granting of a subsidy will save to the Treasury about \$30,000,000 a year. An analysis of the proposed measure shows clearly that the subsidy will cost considerably more than \$50,000,000 a year. The bill provides for the establishment of a special fund to which there shall be set aside sums in the neighborhood of \$50,000,000, but the bill also provides for various tax exemptions, the aggregate amount of which can hardly be estimated with any degree of certainty.

There is nothing to the claim that the subsidy will really be a saving.

No effort has been made to build up or develop a Government merchant marine. How can the Government succeed when its announced object is to dispose of the ships to private interests? How can the Government succeed when the Shipping Board refuses to compete with privately owned ships? The hearings disclose that whenever private interests complained of the successful competition of Government-owned ships these ships were withdrawn.

This is certainly not a propitious time to create a merchant marine. The world has more than an adequate supply of tonnage. In order to succeed it would be necessary to take away from other countries with long-established merchant marines a part of their carrying trade.

Every discrimination against the ships or goods of other countries will be followed by retaliatory measures on their part, and we will find ourselves in the midst of a bitter commercial war. England is frequently mentioned as the country which we are to emulate in developing a merchant marine. How can England exist if the communication between the British Isles and the vast English dominions spread over every continent should be cut off? England's merchant marine is to England what the railroad system is to the United States. We should no more undertake to rival England's carrying trade than we should undertake to compete with Brazil in the production of coffee or with France in the production of champagne.

It seems that the Republicans are abandoning the old Republican tradition of a home market. The 110,000,000 people of the United States can furnish a mighty good market if the producers of America will but receive a just compensation for the service they render the Nation. This attempt to artificially develop a private merchant marine at the expense of the taxpayers, with the avowed object of supplanting the merchant fleets of other countries, is but a continuation of the imperialistic policy we launched upon in 1898 when we took possession of the Philippine Islands.

Strangely enough, the most successful period of American industrial and economic development was simultaneous with the almost complete disappearance of the American merchant marine.

We are not satisfied any more with a place in the sun, and a mighty big place at that, but we want the flag to sail over the seven seas, over an American-owned merchant marine. And who, pray, will be these American owners? It will be the Standard Oil corporation, the United Fruit Co., and similar benefactors of America and of humanity. It is rather significant that the proposed law excepts agreements between carriers which are to affect water transportation from the provisions of the antitrust laws.

I refuse to vote any money of the taxpayers to support a private monopoly.

If we must have a merchant marine, let it be owned and maintained by the Government of the United States for the people.

Mr. GREENE of Massachusetts. I yield to the gentleman from New York [Mr. Hicks] 25 minutes.

The CHAIRMAN. The gentleman from New York [Mr. Hicks] is recognized for 25 minutes.



Mr. HICKS. Mr. Chairman, in the story of civilization the aspirations of nations and the ambitions of men lead to the salted seas and the lands beyond. In remote times, through the Middle Ages, down to the present moment, commercial advancement and trade development have been well-nigh universally synonymous with political ascendancy and material prosperity.

The desire for religious freedom, trade enlargement, and empire expansion have been the impelling forces to drive men across the pathless oceans, inspiring their hope and steeling their courage to brave the dangers of the unknown deep. America was the reward of those intrepid pioneer discoverers of the fifteenth century, whose goal was trade expansion and commercial profit, while the initial developments in the seventeenth century were founded on the sacrifice made to liberal thought and belief.

Conscious of our history and of our geographic position; conscious of our resources and our wealth; conscious of our advancement and of our destiny, the spirit of America calls us to develop the one great industry which for decades has been neglected, unconsidered, and unprotected by the Federal Government. We have been generous, and properly so, in safeguarding our agriculturists, our manufacturers, and our artisans from the lower standards of foreign pay.

By Federal aid we have rendered assistance to farmers and stockmen in the erection of irrigation dams and the creation of watersheds; we have expended vast sums for the eradication of animal and plant diseases and for the propagation of scientific information; we have aided transportation by land grants to railroads, by appropriations for the building of highways and for the construction of canals and the dredging of harbors. All these are benefits made possible by the funds taken from the Federal purse for the common good. By rendering aid to our merchant marine we are carrying forward the application of the same beneficent principle under a different designation and in a different way.

In discussing this vexed question of ship subsidies we are confronted not by any abstract question of the advisability of constructing a merchant marine but by the practical proposition of how best to handle a service now in existence. This bill injects into our national life no new policy, for we are on the seas now, and at a terrific cost, and we must decide what we are to do with vessels already built. We are facing an actuality, not a theory, for we find ourselves possessed of some 12,500,000 tons of shipping, of which 6,550,000 tons are Government owned.

In the problem there looms the annual cost to the Government in the operation and care of its ships, exclusive of depreciation or interest charges, of \$50,000,000, which prudence and judgment command us to reduce. How best can we save the taxpayers' money and lessen the burden created by the frenzied program of war-time ship construction which drained the Public Treasury of \$3,000,000,000? Let us forget that these ships are to-day worth probably not over \$200,000,000; let us forget the mistakes that were made and the errors that were committed; let us eliminate partisan discussion and petty politics. Our problem is to curtail expenditures; to conserve our ships; to encourage shipbuilding; and to maintain in a high degree of efficiency a merchant marine under the American flag comparable with the dignity, the needs, and the position of America.

This bill, in my judgment, will best bring about the desired results. It has the support and approval of the President, whose inspired leadership, calm judgment, and patriotic impulse points the way to a return of our ships upon the pathways of the deep. The history of the past will be repeated in the future if we follow his lead, and the noble vision of the flag, wide flung upon the seven seas, will become a reality when this bill becomes a law. While there may be a difference of opinion among us as to the proper method of proceeding, I can not believe that there are many who feel that the United States should abandon the seas and consign our ocean shipments to foreign flags. I feel that the vast majority of our people have a real pride and recognize a real necessity in having the Nation become a great merchant-marine power. They recognize the economic advantage of utilizing our own ships to carry our surplus goods in the oversea trade rather than to employ our competitors.

I am convinced that the bill now before us will save money and will place the merchant marine on a firm basis to compete successfully in the carrying trade of the world. We are confronted by the question of whether the merchant marine now upon the seas shall be kept under Government ownership and operated at large Government expense or under private ownership with small Government aid. For one I am utterly opposed to Government operation, and I believe that the sad experience of the past in public operation of our railroads, with inefficiency

in service and waste in operation should determine us decidedly against a repetition of this folly in Government ownership and operation of the merchant marine.

Direct aid to private merchant shipping is and long has been the established practice of all the maritime nations of the world. This may take the form of postal pay and naval retainers to certain regular lines, as in the case of Great Britain, by whose Government the subsidy policy as now known was initiated almost a hundred years ago. It may be postal subvention and naval retainer to regular lines and navigation bounties to all shipping, with direct bounties for shipbuilding, as in the case of France, Italy, and other countries, including at one time Japan.

Nations subsidize their maritime industries according to their needs or resources, precisely as nations, with now not one important exception, in some degree or another form their customs tariffs, so that they will not only yield revenue but favor their native manufacturing or their native agriculture. The motive of maritime subvention is exactly the motive of the protective tariff—to give national preference for national prudential purposes to national interests against their competitors of other lands.

Every commercial people with seacoasts and ports and sea-borne trade recognizes as by a strong instinct of self-preservation that it must not depend for the delivery of its exports and the bringing of its imports solely upon the ships and seamen of other governments, its rivals in trade and possible enemies in war. Every people with a foothold upon the ocean recognizes that its merchant marine, by which is meant not only the ships themselves but their officers and men, the yards which launched the ships, the mechanics who put them together, and the separate manufacturing plants and men that produced the equipment of the ships, constitutes altogether a peculiarly important "key industry" for either peace or war.

The United States is entitled to possess one of the greatest—perhaps, considering its vast water-borne domestic commerce, the very greatest—of all the merchant navies of the world. Rightfully, also, the United States is entitled to carry in its own ships the same proportion of its sea-borne trade as any of its competitors. As a matter of fact, American ships are now conveying only about one-third in value of the exports and imports of our country. A year and more ago American ships were carrying about one-half of our imports and exports.

According to data furnished by the Department of Commerce and the statistical department of the United States Shipping Board, the value of commodities exported by sea from the United States for 100 years, beginning with 1821, was \$86,629,000,000. Of this total, vessels under the American flag carried about 24 per cent, leaving 76 per cent carried by alien flags. Figuring that freight and insurance approximated about 8 per cent of the value of the cargoes, it would mean that in the century, on our exports alone, this country paid to foreigners the stupendous sum of \$5,267,000,000—money which went out of circulation in the United States. This represents so much revenue deducted from the resources of this country and retarded to that extent the expansion of our shipping industry and the commercial and agricultural interests of our country.

The great advantages of a merchant marine are fourfold—first, as a medium of transportation; second, as a stimulant in building up international trade; third, as an auxiliary for the Army and Navy in times of war; and, fourth, as an encouragement to shipbuilding.

#### TRANSPORTATION.

Ships are as necessary to the conduct of overseas trade as are railroads and ships to the domestic trade, but the character of the transportation in the overseas trade is even more important than in the domestic trade, because overseas transportation is open to the ships of all countries and is highly competitive, and the advantages therein accrue only to the efficient carriers, while internal transportation is carried on by individuals and companies of American nationality.

It is not only desirable but practically necessary that the United States should depend largely upon American ships for the carriage of its overseas trade.

The difficulties produced by the war brought home to practically every citizen our dependence upon overseas transportation services, and the remembrance of those trying times should make it unnecessary to enlarge upon the need of an American merchant marine.

#### TRADE DEVELOPMENT.

It is generally recognized that the country that has a large merchant marine thereby has an advantage in international trade. Ships are the servitors of commerce, and the very existence of a large tonnage of shipping under the national flag creates a condition favorable to the establishment and develop-



ment of foreign trade enterprises. Moreover, ships are not only a necessary facility of foreign trade, they are one of several agencies that cooperate in making foreign trade successful. International trade on a large scale requires a world organization including manufacturing, producing, merchandising, international banking, marine insurance, ship brokerage, freight forwarding, and the construction, ownership, management, and operation of vessels.

Such an organization is most effective when it is completely developed and the ownership, management, and operation of vessels commensurate in tonnage and types with the volume and needs of trade give greater efficiency and potency to the commercial organization as a whole. Shipping under the national flag is to be regarded as an essential part of the facilities and organization of trade by which the people of the United States are to maintain and extend their commerce with all sections of the world.

#### AUXILIARIES.

While I do not care to emphasize the importance of a merchant marine flying the American flag as an important element of national defense in case of war, yet the fact remains, as bitter experience has shown, that it is of first importance.

The United States ought never again to be in the position in which it found itself during the early years of the war, when the great merchant fleet of Germany was entirely withdrawn from the world's carrying trade and those of Great Britain and of other countries largely so, and when, as a result of these conditions, a large part of our grain, cotton, meat products, lumber, copper, and manufactured goods available for export could not be moved.

In time of war—a condition we pray may never arise again—the need of auxiliary vessels is felt by both the Army and the Navy. The duties to be performed by the two services are interdependent. Unless the country is so weak in naval strength that its fleet will be reduced to coast-defense operations only, it will become necessary to carry on a campaign at a greater or less distance from its own bases, and it is the mission of the Navy to gain command of the sea. This once accomplished, the duty falls upon the Navy to safeguard the transportation of the Army overseas, should such an operation be deemed practicable. In order to make it possible for the fighting ships of the Navy to operate any distance from their home bases, it is necessary that they be accompanied by a large number of auxiliary vessels, and these vessels should be American.

In time of war an efficient merchant marine is as necessary as an efficient battle fleet. Without such a merchant marine the safety of our country might easily be imperiled. Should war come, we would need a large number of auxiliary vessels with our fleet, and a still larger number of supply vessels to serve the fleet. There would be no time to build these vessels after diplomatic relations had been broken, nor would there be opportunity to purchase or charter them from abroad. The only course open from the standpoint of national safety is to have these vessels form a part of our permanent merchant marine.

#### SHIPBUILDING.

The future of the shipbuilding industry in the United States depends upon the maintenance and successful development of the merchant marine. The war gave the activities of private shipyards in the United States a great impetus; but on account of the large tonnage brought into existence during the war—tonnage constructed by the Government as well as by private individuals—and on account of the severe world-wide depression in business American shipyards are now doing little work. Should there be a decline in the American merchant marine, or even a serious postponement of its development, the shipyards in this country would suffer greatly and probably not a few of them would be forced to liquidate. The efficient American shipyards should be kept in vigorous existence despite prospective restrictions in the Government's naval program. Well-equipped, efficiently managed, and profitable shipyards are a necessary basis of a large and progressively efficient merchant marine. It should be the policy of the people and Government of the United States to establish conditions favorable to the shipping business and to the industries associated with that business. The merchant-marine policy should accordingly have in mind shipyards capable of constructing economically and efficiently the ships required by a large merchant marine under the national flag and for making the repairs to those ships.

Government aid to our shipping interests is necessary from two points—first, the equalization of the difference in cost of operation between American and foreign vessels; second, the promotion and encouragement of desirable types of vessels or of necessary services which without aid would not—under present conditions, at least—be forthcoming. The situation is

one which imperatively calls for national protection to the one great industry long left almost absolutely unprotected.

In its essence the maintenance and development of the American merchant marine is but another phase of the policy of protection to American industry. The differential against American ships lies in the national standard of living. To other industries threatened by competition on the part of nations having lower standards, protection is extended in our tariff laws. The overseas shipping industry in the early days of our Government was similarly protected. It can not now be protected under our tariff laws without the amendment of our general commercial treaties with other Governments, which amendment two administrations indicated an unwillingness to attempt. The indispensable alternative, therefore, is to protect this vital industry in some other way. The method of direct aid, together with what indirect aids may be applicable, is not only the effective way but is the method by which nearly every maritime nation to some extent or in some manner extends protection to its national shipping.

It has been demonstrated that economic conditions are such that good American ships, as good in every way as their competitors, can not be operated in overseas trade without the equivalent of that protection normally bestowed by the Government on the operation of American factories and farms.

Let it be remembered that American ships in the overseas trade compete directly and keenly with foreign ships of all the nations in the world in our own ports, along every mile of ocean to foreign ports, and in those foreign ports for every import cargo of American commerce, and that American ships do this against all wage handicaps plus generally the added handicap of foreign subsidy or other national assistance rigidly denied thus far to American shipowners.

My belief in the future success of the American merchant marine is based on two fundamental factors of our national life—efficiency and enterprise. Our ship owners, operators, builders, and seamen must be the equals and, if possible, the superiors of any men of their calling in the world. Historically, our men have excelled in energy and skill, but 60 years have sufficiently demonstrated that these two great human attributes can not succeed where the vital factor of national aid is withheld for any considerable time from the very best ship owners, builders, and seamen in existence. Let us pass this bill and restore the American flag to the proud position it once occupied when the American "clippers" carried the bulk of our commerce to the ends of the earth. Keep the flag flying!

Mr. BANKHEAD. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] is recognized for 10 minutes.

Mr. BLANTON. Mr. Chairman, stripping this subsidy of all camouflage, what are the indisputable facts? Is the immediate problem a merchant marine? The President says not, but merely a salvage proposition. His exact words are:

In the simplest way I can say it, our immediate problem is not to build and support a merchant shipping, which I hold to be the highest and most worthy aspirations of any great people; our problem is to deal with what we now possess. Our problem is to relieve the Public Treasury of the drain it is already meeting.

Thus our President spoke last Tuesday. Is there anything but a salvage proposition in the above language?

Mr. Chairman, to win the war we built 1,500 vessels that cost \$3,000,000,000. Waste and extravagance? Yes; beyond comprehension, but it produced results worth while. Such an unprecedented building feat caused world amazement. Our enemies looked into the unconquerable faces of American soldiers and realized that all of our war equipment was in like proportion. The Kaiser and his generals were astounded. Ultimate ruin confronted them. The armistice was signed. War ceased. World carnage stopped. Lives of probable millions were saved. The relief of incalculable value it brought makes American fathers and mothers cease crying over the spilt milk of war waste and war extravagance. There was war waste because there were unpatriotic, greedy vultures willing to take advantage of their country in its extremity.

But, Mr. Chairman, the Congress is not under war stress and anxiety now. We have celebrated the fourth anniversary of the armistice. The people will tolerate wanton waste and extravagance no longer. The present Shipping Board is a peacetime parasite. Operating only a small percentage of its ships Mr. Lasker has surrounded himself with a swarm of 5,000 high-salaried employees, among which are 76 lawyers drawing an average salary each of \$11,000 annually. The President said Tuesday that he is incurring an annual loss of \$50,000,000. And besides the Government receives not one single cent of return for this \$3,000,000,000 investment.



Now, let us analyze the President's proposed plan of salvage retrenchment. He admits that under this plan the most we may expect to recover from our fleet is \$200,000,000. Now, what are we to do in order to obtain this sum? First, we are to pay a subsidy, which Mr. Lasker says will amount to \$52,000,000 a year, to greedy shipping interests for 10 years, aggregating \$520,000,000 of the people's money. Out of the \$200,000,000 receipts we are to give Mr. Lasker \$125,000,000 as a special loan fund, which he can loan to shipowners at 2 per cent annually in such a way that in all probability little of it will be repaid. And we make possible the keeping of Mr. Lasker's 5,000 high-salaried parasites on our pay roll for at least 15 years more to squander far more than the remaining \$75,000,000 of receipts. If it is a mere question of salvage, it would be saving hundreds of millions of dollars to immediately disband the Shipping Board and distribute the remaining one thousand four hundred-odd vessels to the 48 States in proportion to their representation in Congress and rely upon State pride and friendly rivalry to see to it that all available ships are manned upon the high seas under our flag. To rid ourselves of them without any return whatever would mean a saving of at least \$500,000,000.

Oh, it would have been a godsend to this country if our former great chairman of the Appropriations Committee, Mr. Good, had won the Congress to his policy, when in his righteous indignation from this floor he exclaimed that he was going to see to it that not another single dollar should be given out of the Treasury to this Shipping Board.

Yet for this Shipping Board and Emergency Fleet Corporation since July 11, 1919, this Congress has already appropriated out of the Public Treasury \$471,487,545.48, and in addition to this enormous sum Congress gave them all the receipts for 1920 and 1921 and during 1922 has given Mr. Lasker use of receipts up to \$55,000,000. Yet the distinguished gentleman from Pennsylvania [Mr. EDMONDS] intimates that this enterprise is run on a businesslike basis. If it is salvage retrenchment the President wants, he should have disbanded the Shipping Board and distributed these ships to the States immediately after assuming office, and he would have thus saved at least \$500,000,000.

I take it that the distinguished gentleman from New Jersey [Mr. LEHLBACH] is a responsible spokesman for the President's party. This morning when he was defending the unheard-of provisions in this bill I asked him the question if when they claim that we have the best genius and the most skilled shipping experts of the country at the head of the Shipping Board, with all ships furnished them free, with the prestige of our Government to buy supplies at the least money, if under these conditions the Shipping Board is unable to make some return on the investment, but on the contrary is running the ships at a loss of \$50,000,000 a year, how could he expect a private enterprise to run them at a profit. Here was the reply, and I read it from his exact language, given me by the reporter:

Mr. LEHLBACH. Because there is not any line of human endeavor or human activity that can not be made to pay by private people whose heart is in the business and whose future is staked in the business, when it does not pay when run by Government officials.

Then the gentleman from Texas [Mr. HARDY] asked him if that was not an indictment against the Republican appointees in charge of this business. Here is the reply of the gentleman from New Jersey [Mr. LEHLBACH]. I read from the reporter's transcription:

Mr. LEHLBACH. Oh, no; it is not an indictment of the operators. It is the experience of human nature in all walks of activity, under all circumstances, that a man will work with his heart in his work if he is working for himself, but that he will get what he can out of it if he is simply working temporarily for some one else, and has opportunity to use some other person's material.

Does this distinguished spokesman for the President's party intimate on this floor that the heart of these 5,000 highly paid officials and Shipping Board employees are not in the work? Does he mean to intimate that because they are working for the Government and not for a private enterprise that they, to use his language, "will get what they can out of it" simply because it is somebody else's business? I have not that idea of all public officials. It may be true with respect to the present Shipping Board. The thing that gives me most distrust in my mind concerning it is the fact that they have never yet permitted an adequate audit of their accounts. The former distinguished chairman of the Committee on Appropriations, Mr. Good, said that it was impossible to get an audit, that there was no auditor of the Government who could come within a hundred million dollars of where all the money had gone. That condition exists up to the present time, and in this bill they have a provision that there shall be no audit of their accounts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. MACLAFFERTY].

Mr. MACLAFFERTY. Mr. Chairman and gentlemen, you will pardon me after so short a stay in Washington for being bold enough to address you. There have been one or two things said here that have made me anxious to make reply. It has been said time and again that the people of the country in the recent election had given overwhelming evidence that they were against this bill. I want to say that I represent a district containing over 400,000 people, and one of the things that I stressed in this campaign was my advocacy of this bill. My name was on the ballot twice—once to fill out the unexpired term of our late lamented John A. Elston and once for the term beginning next March. I have to say to you that for the unexpired term I received a majority of 28,000, and for the term beginning next March—I have only the semiofficial returns to give you, but the newspapers said that I have a majority of 40,000.

Gentlemen, it seems to me that all phases of this question have been covered, but I want in the few minutes I have to give you a picture. I am not from the Corn Belt of Kansas, but the first breath of air that went into my nostrils—and which probably provoked a squall—was a breath of salt air. I have breathed the salt air all my life. I have lived on the shores of the Pacific Ocean all my life. I have seen the American flag driven off the Pacific Ocean in my lifetime. I have suffered the humiliation of seeing one ship after another—and I knew them well enough to love them, well enough to say I could call them by name—I have seen them sold to the Japanese or sent up the river to be tied up to rust and rot. I saw about 40 boats belonging to the Shipping Board a week ago lying there pitifully in the straits at Benicia, with their sides and decks rusted, going to wrack and ruin for want of use.

My father in about 1868 went to the Orient and he has told me over and again during my boyhood that everywhere he saw the American flag and everywhere we were carrying the commerce of the world.

I went to the Orient in 1916, and after leaving the port of Honolulu in four months' time I saw the American flag afloat only four times. One of those times was on the old U. S. S. *Philadelphia*, lying in the Whang-Po River at Shanghai, serving as the flagship of our Asiatic Fleet. Once was on an old tub, the name of which I have forgotten, in the harbor of Yokohama. Once was on the old Pacific Mail ship *China*, some 45 years old at this time, if I am not mistaken, but now owned by the Chinese, although under the American flag. The fourth time I saw it was on my way home, and I want you to get this picture. It is about all that I have to give to you to-day. We were crossing back to America in a British ship having 52 passengers, 50 of whom were American citizens and 2 of whom were Britishers. About 10 days out, one day, having seen nothing, we observed a little smudge of smoke in the distance. Naturally, everyone was alive in a moment, and we watched that little smudge as it grew through the glasses. The captain of our ship was a typical Britisher, a full-faced, noisy, good-hearted British seaman, and finally that little tub, for such she proved to be, a little American steam schooner coming from Puget Sound over to Japan, bobbing up and down on the face of the ocean like a cork, broke out the American flag, and what did the British captain say? I shall never forget it as long as I live, and it is one reason that I am in favor of this bill. He said, "Oh, by Jove, she is an American! I wonder what she is doing so far away from shore." There you have it!

Mr. Chairman, I saw the three magnificent ships running from San Francisco to Australia—the *Sonoma*, the *Ventura*, and the *Sierra*—finally taken off the route and tied up at Benicia. I saw the *Alameda* and the *Mariposa*, that had been 21 years in that trade, withdrawn and sent to Puget Sound to run from Seattle to Alaska. I saw, one by one, our ships disappear from the Pacific Ocean, and for every ship of ours that disappeared I saw two Japanese ships put into Pacific trade. Gentlemen of the eastern seaboard, get it out of your heads that Great Britain is our competitor of the future.

The competitor of the future for this country is Japan, and some day I hope to say more on this subject from this floor. The Japanese finally became the carriers of our Pacific coast commerce. Count their ships by the score. Take a map and trace out their routes, and then tell me that the difference in upkeep and cost of maintenance has nothing to do with the situation, when the Japanese coolie sailor gets his \$12 a month and three messes of rice a day, while our American sailor, thank God, is the best-fed and the best-berthed man that floats on the ocean.

Yes, let us bring back to the position it once held the commerce of the United States of America as carried in American bottoms; and when one of the speakers a short time ago said it never can be done I was reminded of the fact that Presi-



dent McKinley, when he welcomed home the Minnesota boys from the Spanish-American War at St. Paul, said that no less a distinguished man than Daniel Webster had stood upon the floor of the United States Senate and fought the acquisition of all that wonderful country to the west of the Mississippi River, and that his great argument was that it was so far from the beneficent influences of the home Government at Washington that the country would become peopled and form alliances with other people and drift away. He was wrong, was he not? Yes; and so was the speaker wrong who said that we did not possess the ability and the ingenuity to build up a merchant marine to be what it once was, the greatest on the sea.

Gentlemen of the American Congress, I have but recently come among you, but let me tell you that in this country of ours there has grown up a lack of respect and a measure of contempt for this body, and I am going to tell you as one who has hardly yet gotten in that it seems to many people that the day is past when men are willing to get up on this floor and stand for a thing because it is right. We are not a democracy, we are a Republic. Our fathers gave us the first successful form of government this world had ever seen, and it was not to be ruled by the mob mind, but the laws were to be made by men elected for that purpose, who could study and think and argue and fight, and finally, after mature deliberation, say to the people, "This is what we have decided to do," and then go back to them for their verdict. That, it seems to me, is what we are here for. This is not a partisan matter. This is the American Congress, and I appeal to gentlemen on both sides of this House to, in the final analysis, vote as they believe is for the best interests of this country, and if you do, you will not have to worry about your constituents. I thank you. [Applause.]

Mr. BANKHEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio, a member of the committee [Mr. GAHN].

Mr. GAHN. Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GAHN. Mr. Chairman and gentlemen, as a Republican member of the Committee on the Merchant Marine and Fisheries I am opposing this ship subsidy bill because it is saturated with special privileges to a few shipping interests, because instead of granting possible needed aids as compensation for the performance of service it grants bonuses and exemptions that the majority of people do not enjoy.

I am merely serving my first term in Congress, and because of the inefficiency of some of the leaders in this Congress I am not privileged to come back, but I want to say that I am not going to take the easiest course while yet here, but I am going to follow my conscience just the same. [Applause.]

I think this is one of the worst bills presented to Congress since I have been a Member of it.

And I have seen in this Congress, when things are likely to be defeated, many Members, some of the leaders on the bill, clothe themselves with the Star-Spangled Banner, with the red, white, and blue stripes, and say, "You are unpatriotic if you do not support this measure." Nevertheless, I am against this bill, and I am a Republican Member, just as much a Republican as any member of that committee.

Mr. EDMONDS. Will the gentleman yield?

Mr. GAHN. Does the gentleman doubt that?

Mr. EDMONDS. No; I do not; but the gentleman voted to report it favorably in June. It was a good bill then?

Mr. GAHN. Yes; I relied upon the gentleman's statement, that of Mr. Lasker, and a good many others at that time, but since then I have come to believe that the gentlemen are so imbued on the subject that they did not give me the exact information. [Applause.] The gentleman knows at that time I asked him to have an open discussion after the hearings were over so that the Democratic Members could be present, but it was put through the committee without any discussion when it was reported out to the House. I came back this session and I might have supported it but I found it was amended in many respects, making it a worse bill than before. In fact, the bill has been amended so frequently that one must doubt the proponents really understand it themselves.

Mr. JOHNSON of Washington. I make the point of order the gentleman is discussing matters which occurred in the committee.

The CHAIRMAN. The gentleman will proceed in order.

Mr. EDMONDS. The gentleman came to me and said he did not like the labor clause and if it was corrected it would be all right, and we did that and after that we reported the bill.

Mr. GAHN. That is about as accurate as some other statements. The amendment I proposed the gentleman said the Shipping Board experts would draw up, and when it came back

it was not the amendment I proposed at all. It exempted passenger ships from the operation of this 65 per cent American seamen rule.

Mr. EDMONDS. It exempted the steward's department. The gentleman said it exempted labor on passenger ships. The engineer and deck crew are in the 65 per cent rule; it is only the steward's department.

Mr. GAHN. The gentleman says steward's department, and he knows this will exempt all subsidized ships because this subsidy is only for passenger ships, and the steward's department is exempted by the amendment.

Mr. EDMONDS. It is only the steward's department. The gentleman thought that possibly if the steward's department was put in it would be all right, and we did go as far as we could. The gentleman only asked 50 per cent of American labor and we gave 65.

Mr. GAHN. That is not correct at all. Whoever heard of you gentlemen giving more than was asked? The gentleman referred to cargo ships and I found out it was nothing more or less than a subsidy for the large passenger lines, and exempting the steward's department from the operation of the 65 per cent rule practically makes it impossible to have 65 per cent American labor on the ships. Did the gentleman from California desire to ask a question?

Mr. RAKER. I did, but I will defer it.

Mr. GAHN. I would just as leave argue with the members of the committee as to make a speech.

Mr. RAKER. It was said this bill was reported when only the majority members were present and the minority were not brought in until they were ready to report the bill. Is that a fact?

Mr. GAHN. So far as I know, the bill ought not to be considered in any partisan way at all, and I want to say right here I have not regarded it as a party measure. There is another thing. Every time a bill slips a little bit one side will try to appeal to party support and to make it a party measure. There is nothing in the party platform for a ship subsidy, and because the Shipping Board chairman may have gotten the President to be for it, does that make it a party measure? No. Most Republicans have repudiated a great many measures of this administration. I think this is going to indict the Republican Party for 1924. But if you doubt it, see what happens then. I want to say this: I have noticed that gentlemen of the committee have devoted much of their ability and their energy to the solving of the questions involved in this bill. The gentleman from Tennessee [Mr. DAVIS] might have ruined his health because of his untiring efforts on this bill, and there are other gentlemen who have devoted a great deal of their time to the study of this subject, including the gentleman from Alabama [Mr. BANKHEAD] and the gentleman from Texas [Mr. BRIGGS], the gentleman from Texas [Mr. HARDY], and others, and I do not think they have done that for partisan reasons, because really, gentlemen of the Republican side, if it were a partisan question the Democrats would let this bill go through in the most rotten shape you could get it, because then it would be much better from their standpoint.

Mr. EDMONDS. Will the gentleman tell us what the caucus did about it? What did the country do last June?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GAHN. Yes.

Mr. BLANTON. The distinguished gentleman from Pennsylvania asked what the country had done last June. The gentleman has taken cognizance of a solemn referendum before the people, has he not? I mean in regard to this bill and party questions.

Mr. GAHN. I thought so at that time.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. GAHN. Yes.

Mr. ARENTZ. May a dirt farmer ask a question of my friend, whom I admire greatly?

Mr. GAHN. Yes.

Mr. ARENTZ. It seems to me that it would be a great deal better for some Members who are so opposed to this bill to offer some amendments to improve it, but I have not heard of any of them.

Mr. GAHN. So many amendments are necessary it would be better to recommit the bill.

Mr. BANKHEAD. The gentleman informed me that he had some particular information to submit on a certain phase of this case.

Mr. GAHN. I am going to submit it. It has been said here that the cost of labor was the underlying feature that caused the administration and the Shipping Board to urge the passage of this bill. It has been argued by nearly every Member who



favors this bill that there is a labor differential. As to that I have no less an authority here than the Nautical Gazette. It contains figures obtained from the Shipping Board which show that that is not true. It compares two ships, a Danish ship and a Shipping Board ship, of practically the same tonnage; the dead weight of the Danish ship being 7,200 tons, and the dead weight of the Shipping Board ship being 7,723 tons.

It is shown that the fuel cost is what handicaps the Shipping Board ship. The Danish ship was built in 1921 and the Shipping Board ship in 1920. The value of the Danish ship is stated to have been \$258,508 and that of the Shipping Board ship \$265,748. The number of the crew on the Danish ship was 38; the number of the crew on the Shipping Board ship was 30. The wages per month on the Danish ship were \$2,355 and those on the Shipping Board ship were \$2,105—a less amount than the amount paid on the Danish ship. The days occupied on the voyage were the same—44 days each. The fuel cost of the Danish ship was \$2,907 and that of the Shipping Board ship \$6,300. There is almost \$4,000 difference on this one voyage. The monthly overhead expense, excluding wages but including subsistence, was \$5,428 on the Danish ship and \$5,393 on the Shipping Board ship. The total voyage receipts of the Danish ship were \$19,468 and of the Shipping Board ship \$20,416, being almost a thousand dollars more. The total voyage expenses of the Danish ship were \$17,558 and those of the Shipping Board ship \$21,030. The net result was a profit for the Danish ship of \$1,910, and a loss for the Shipping Board ship of \$614.

These figures show that in this instance the wage cost was higher on the foreign ship than on the American ship, due to the fact that the former, being a coal burner, carried eight more men, whereas the Shipping Board ship was an oil burner. The ships were valued at approximately the same amount, and the fixed charges, such as insurance, depreciation, amortization, and so forth, were almost equal, and the fact that they were of about the same size made them liable to the same tonnage dues and port charges, and they each paid the same amount in managing agents' commissions; and yet the Danish ship showed a profit of \$1,910 and the American ship a loss of \$614.

Unless the Shipping Board proceeds to make its vessels economical to operate, and run them with highly paid crews, the payment of a subsidy will never contribute to the establishment of its fleet upon the high seas.

Now, gentlemen, I want to touch on the taxation question. It seems to me that this bill, strictly speaking, is not a subsidy bill. It is a tax exemption bill to special interests. This bill is permeated with graft and saturated with exemptions and special privileges to a few. It is no wonder that our boats do not go out on the high seas, because the owners of these vessels have heretofore refused to let them go out unless you exempt them from certain expenses. They refuse to pay the taxes that the farmer has to pay, that the ordinary business man has to pay, or the man back home. You have got to pay them in the way of an exemption before they will invest in these boats and take them out. If not, they take foreign registry.

You are allowing 5 per cent exemption on a person's taxes if he merely ships in subsidized boats, in American bottoms. That will allow the Standard Oil a million dollars a year. In the case of the *Leviathan* alone, as the gentleman from Tennessee [Mr. DAVIS] shows, you will give \$900,000, and under the Shipping Board regulations, if they see fit, they may double that amount.

Why do you say that only \$15,000,000 is going to be expended each year when your figures show that the passenger boats alone are going to get this \$15,000,000 the first year?

Nowhere in the President's message is mention made of the fact that we are going to have a program of shipbuilding. Three or four times in that message mention is made of the fact that this bill is going to save \$50,000,000 a year. I disagree with that, and I contend that that \$50,000,000 will still be there, if not a higher amount. Unless you cut out the graft and discharge some of these highly paid and inefficient men employed by the Shipping Board you are going to have an annual expense just the same. [Applause.]

I do not wish to appear in opposition to the President's specific wishes, but it seems to me that he has been misguided and misled, quite innocently, by the great pressure which has been made to bear upon him in the representations that this is the only way to fully establish an American merchant marine.

In this connection let me quote from an editorial which appeared in the *Cleveland Press*, November 22, 1922:

#### PLUMS IN THE SUBSIDY.

President Harding told Congress in the ship-subsidy message that it was costing the taxpayers of the United States \$50,000,000 to operate its fleet of ships, and that there would not be paid out more than \$30,000,000 to private ship operators if his subsidy bill were made a law.

The President did not say what else the ship operators would get besides the \$30,000,000 subsidy.

The President did not say what shipowners would get the subsidy and what shipowners would not.

The President did not say that a ship would earn just as much subsidy whether it carried a pound of cargo or whether it was loaded full.

The President did not say that only owners of ships running on regular lines would receive subsidy.

The President did not say that the ships that run on regular lines are those devoted not to commerce but to the hauling of passengers and mail—ships devoted to the hauling of goods owned by the owner of the ship, such as the Standard Oil tank-line steamers, the United Fruit Co. fruit ships, etc.

The President did not tell Congress that besides the \$30,000,000 going out of the Treasury, a golden flood would be stopped from flowing into the Treasury by reason of the fact that those shipowners who enjoy subsidies—but no other American shipowner—could deduct from their income taxes their profits on the operation of the ships, and in case they were the owners—as in the case of the Standard Oil Co.—of the cargoes of the ships, 5 per cent of the estimated freight that they paid themselves for hauling their oil.

The President did not say that Mr. Lasker has expressed the faith that these income and tax exemptions to a favored few American shipowners would probably not exceed a mere \$10,000,000 a year.

The President did not say that if a man bought a ship at junk price from the Shipping Board and sold it at a profit to be sailed under a foreign flag, he would not have to pay income taxes on that profit if only he would buy or build another ship.

The President did not say that the "tramp ship," which is what Great Britain and every other country means by the expression "merchant marine," will not get one penny of subsidy under the proposed bill, and their owners will not get any rebates, drawbacks, or exemptions, or other hand-outs from, through, or by the Treasury.

The President did not say that it was proposed to lend \$125,000,000 to the preferred class of American shipowners at 2 per cent a year, while business men, farmers, manufacturers, and ordinary folk in general pay from 6 to 10 per cent.

Had the President told Congress all these things, he would have told them of a part but not all of the plums that are tucked away in the proposed Thanksgiving pudding—if the subsidy bill is passed on November 29.

It seems to me that the entire question should be more thoroughly studied and investigated. There were 34 days of hearings on the bill before the Merchant Marine Committee, but not one day was given for a full and complete discussion in the committee on the bill or on the hearings.

Public sentiment is against this bill, and it is folly for this House to endeavor to create public sentiment in favor of it by jamming it through. On the other hand, this House should reflect public sentiment, and each Member should truly represent the wishes of his constituents.

Let me read here an editorial of the *Cleveland Plain Dealer* of November 23, 1922, urging Congress to give more time and study to the perplexing questions involved in a proper solution:

#### THE SUBSIDY PROPOSAL.

When the members of the Shipping Board prepared the subsidy bill that the President so earnestly supported in his subsidy message of February and again of Tuesday the board had in mind the development of a great merchant marine under private ownership and operation. The board in effect admitted its own inability to operate the Government-owned ships successfully and proposed a new deal whereby private shipping interests might be induced to purchase the Government vessels and operate them under a system of direct and indirect subsidies.

When the war was declared in 1914 the gross tonnage of the United States registered in the foreign service was a trifle more than 1,000,000 tons. As a result of the shipping emergency created by the war the Government spent approximately \$3,000,000,000 in ship construction. The end of the war found us with a merchant fleet of more than 12,000,000 gross tons. Of this tonnage, about half, more than 1,400 steel cargo vessels, are still in the hands of the Shipping Board. Less than 400 of them, however, are in operation as a result of depression in foreign trade and the inability of the board to compete with private shippers, both American and foreign, in the same trade routes.

The maintenance and operation of the Shipping Board fleet is costing the Government approximately \$50,000,000 a year in addition to the heavy loss from depreciation of vessels that are tied up in American ports. The President contends that a subsidy which would transfer this fleet of vessels from the board to American shipping interests would relieve the Government of a portion of the present expense and at the same time assure this Nation of a place on the high seas and protection against any shipping emergency, commercial or military.

Whether the plan embodied in the administration bill would have the desired effect is a question. The testimony taken by the House committee last summer was conflicting in a high degree. But during the last four years private shippers to whom Government vessels were turned over for operation without any expense whatever have come back upon the board for deficits running into the millions. Successful private carriers accordingly contend that the pending plan which involves purchase and operation under a moderate system of subsidies offers no assurance of success.

In detail the plan would set aside a special subsidy fund to be created by withholding from the Treasury 10 per cent of the Federal revenues derived from customs, and this fund would be used by the Shipping Board or other Government agency to pay direct subsidies to ship operators in the foreign trade. The cost of the subsidy then would be determined by two outside considerations, the volume of imports and the scale of tariff duties. On the basis of recent import figures the direct cost of the subsidy would be somewhat but not greatly below the annual outlays and losses of the Shipping Board.

The subsidy advocates themselves are of the opinion that the steel cargo carriers now in the hands of the Shipping Board would not in themselves afford the Nation a well-balanced merchant fleet to compete with the well-established European lines. The majority of these vessels are of low speed and the need of this country is apparently for ships of a better class, particularly of fast combination cargo and passenger vessels and perhaps of a few passenger vessels of the finest type.



It is therefore proposed that the Government assist in the construction of the new units by creating a reserve fund of \$125,000,000 to be loaned at low rates of interest to private shipping concerns. The rate of interest must not be less than 2 per cent and the Government must not advance more than two-thirds the value of the new ships to be constructed. This provision was deemed advisable by those responsible for the bill because of the difficulty experienced by shipping concerns in attracting capital. Replies of bankers to a questionnaire sent out by the Shipping Board indicate that the demand in this country for shipping shares is almost nonexistent and that construction funds can scarcely be provided from ordinary investment sources.

In addition to the proposed subsidies for operation and credit assistance in construction the administration bill contains provisions designed to increase the traffic of American-operated ships. Most important of these provisions is that which virtually compels one-half of the immigrants coming to America to secure passage on American vessels. This provision, along with that doubling all port and tonnage duties, is aimed directly at competing marines, and in the minds of many, even among the supporters of the bill, is unwise because of the probability of retaliation and international misunderstanding. In the opinion of still others this provision would, like that of the marine act of 1920 imposing discriminating import duties, be nullified by existing treaty agreements.

Before deciding to accept or reject this measure Congress should make a thorough study of all its important provisions. It should know whether the President's representations regarding costs are correct; whether there is good ground for believing that private shipping concerns would, with the subsidy bill passed, be any more interested in the purchase of the Government-owned vessels than without it; and whether even then they could, with a subsidy as proposed, meet competition from foreign sources. \* \* \* The relation between labor costs and disadvantages sometimes ascribed to this country's merchant marine, such as fuel costs and bad ship design, should be more definitely ascertained. Congress should also consider carefully the probable significance of the immigrant-carrying clause and the possible demands that will be heard from other sources if it undertakes to provide capital to one industry at a rate well below the market rate.

When the hearings on this bill were being conducted Congress was absorbed in the tariff and in other legislation regarded at that time of greater importance. Called to give consideration now to the subsidy proposal it should study the measure carefully and thoughtfully in the light of the Nation's best interest.

It is argued and made propaganda for the support of this bill that a merchant marine is necessary as a navy auxiliary. But let me call your attention to the fact that the present fleet of the Shipping Board is unbalanced and that new ships will be necessary; that the present number of first-class ships is much in the minority of a fully equipped merchant marine necessary for a navy auxiliary. There is no evidence that the ships to be constructed will round out such an auxiliary. Might it not be possible that the discretion of the Shipping Board would be used in authorizing and approving the building of such new ships in such a way that it would be as much unbalanced as the former Shipping Board made it?

There is not as much differential in the subsistence cost as has been maintained in this debate. It developed during the hearings on this bill that the operators of the Shipping Board boats are paying entirely too much in subsistence expenses.

The Shipping Board has reduced the subsistence allowance on board of their ships to 65 cents per day per man. In the argument which they used to justify their position they claim that after investigation they discovered that some private shipowners were feeding their men on a subsistence cost ranging from 48 to 51 cents per day per man. In this statement they have refuted their testimony before the joint committee of the ship subsidy bill, where they claimed that the cost of subsistence on American ships was 82.5 cents per man per day. Mr. Merrill, the director of the bureau of research of the Shipping Board, in his testimony stated that, according to advices received from representatives of the Shipping Board in Japan, the Japanese cost of subsistence was 62.5 cents per day per man.

No matter how well our ships are managed from the shore, without an efficient seagoing personnel our shipping will never be successful. This fact is gradually being realized by those who have the handling of marine property. Ships to-day are larger, more valuable, move faster, and consume money at a greater rate than ever before. The need of trained men and officers is therefore greater than ever. Masters and officers have little time to devote to beginners. In old days one trip or voyage gave youngsters knowledge and experience. Therefore there should be every incentive to Americans to take up the profession of seamanship. This bill spells disaster to them, because it will actually destroy the American merchant marine. When you place a premium on inefficiency, there can be no other result.

The Shipping Board's historians appointed to make a study of the effects of subsidies on the merchant marine of other countries state that in no case—with the possible exception of Japan—have subsidies been of assistance in building up or in maintaining a merchant marine.

International trade, whether passenger or freight, was and is still competitive, and a share in its profits and power was only attained by merchants or ship operators with a thorough knowl-

edge of business geography, assisted by officers and seamen who could make the quickest passages at the lowest cost and who were capable of keeping their vessels out of the repair yards.

The care and efforts of statesmen have been to foster and develop the highest possible skill in seamanship in officers and men, together with the highest skill in management. In the first self-interest was used, in the latter adaptability and training.

A nation's proper share in the profits and power derived from the use of the sea was, as far as I am able to discover, never obtained in any other manner, and I am therefore opposed to any subsidy as provided in this bill.

To me this subsidy spells disaster to the American merchant marine, because it substitutes Government aid for skill and efficiency. In other words, we propose to subsidize inefficiency.

Let us abide by the maxims adopted by our forefathers and protect the American people, supporting the greatest Government under the sun by maintaining equal rights to all and by refusing to grant special privileges to the few. Let us ever remember that this is a Government of the people, by the people, and for the people. Let us cling to our ideals of truly representing the people. [Applause.]

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, the gentleman who has just left the floor [Mr. GAHN] gave an excuse for not being re-elected bad leadership on the part of some of the Republican leaders on this side, but since I have listened to his statement with regard to the nonpartisan Democrats on the other side who have so far elucidated this measure I have the idea that some of his constituents must have discovered that he possesses an unsophisticated mind.

Some of the potent arguments of our nonpartisan Democratic friends have been at least potent enough to bring about an action in the shipping stocks of England. I notice in the Evening Star of to-night this statement:

Europe hopes for the defeat of the ship subsidy. Administration officials pointed significantly to a brief dispatch which came over the wires to-day of one of the ticker news service as follows:

"LONDON.—Expected defeat of ship subsidy bill in the United States is having a marked effect on shipping shares here. Peninsular & Oriental Steamship Co. rose five points yesterday; Royal Mail three and one-half points, and Cunard one and one-half points to-day."

So that the arguments which have been made against the measure so far seem to have been potent in some sections of the world. Now, it had not been my intention to make a speech to-night, but—

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. SNYDER. Yes; I shall be delighted to do so.

Mr. GARRETT of Tennessee. Does the gentleman think we should take money out of the Treasury of the United States, paid in by the taxpayers of the United States, in order to keep the price of stocks of English shipping down?

Mr. SNYDER. Oh, no; not by any means; but as suggested by a friend who sits by me here, we do not know who is speculating in the London market, based on the speeches which are being made here. But there can be no question in the minds of those who are interested in using the sea routes, or the routes that may be installed in the future, of the necessity of continuing in operation, at least, the number of American ships which are in operation now, and if this subsidy measure will permit the Government eventually to get out of the shipping business and to put the shipping business into the hands of individual and private ownership, so that ships may be run in competition with the various carrying lines of other countries, we will have accomplished something.

I listened with a great deal of interest to the statement of the gentleman from California [Mr. MACLAFFERTY], because it was not so long ago that I had the pleasure of making a trip around the world, and there were not as many American flags on the ocean then as there were when the gentleman from California [Mr. MACLAFFERTY] traveled a few years ago. It was back in 1909 that I went around the world, and the only place in China where I saw an American flag was in the harbor of Hongkong, on a ship of the Standard Oil Co.

There was not another place on that whole trip where I saw the American flag except, I think, at Port Said, where I saw the old transport *Kirkpatrick* with a load of troops from the Philippines coming back to the United States.

So I favor this measure, because I believe it will be the beginning of an opportunity to carry the products not only of the farm but of the manufacturers of this country to markets in the world which we have never before had the opportunity to develop.

Mr. BANKHEAD. Will the gentleman allow me to ask him a question?

Mr. SNYDER. Yes; with pleasure.



Mr. BANKHEAD. At the time the gentleman refers to, when he saw very few ships flying the American flag, what was the condition of business generally in the United States?

Mr. SNYDER. In 1909, I think, the farmers were in just about as good a condition as they are to-day, compared with the difference in the standard of farming to-day and the standard of farming then. We must all admit that conditions on the farm have changed since then, and changed for the better, and that those improved conditions should be retained. The opening up of new routes for the sale of the surplus products of the farm, as well as the surplus products of the factory, will be a great factor in bringing the prosperity of this country up to the point where the farmer can maintain the standard to which he has risen during the period of the war.

We must not forget that, even as late as 1913 or 1914, there were very few farmers who had automobiles or tractors or power-driven machinery. Now all those things have come, and some of the farmers have not made enough money to pay for all of the improvements they have purchased; and it may be, as the President suggested in his speech the other day, that it will be necessary for this country to aid the farmers in some manner until they are able to meet the payments upon those things which were bought on more or less of a prospect. I believe in doing that, and I shall vote for any measure which comes up here later that will help the farmer to maintain the standard to which he has brought himself during this period.

Mr. BANKHEAD. The gentleman does not favor a direct subsidy to the farmers out of the Treasury, however, does he?

Mr. SNYDER. The farmer does not need any such thing. What the farmer needs is the same thing that any other business man needs, and that is credit; but here is an entirely different proposition.

Mr. BANKHEAD. Would the gentleman go so far as to lend the farmers money at 2 per cent per annum?

Mr. SNYDER. I do not know whether I would or not. I would want to consider that matter. But if it were thought advisable to do it, I would not hesitate a minute. I believe that in order to have any permanent prosperity in this country the farmer must prosper and must participate in that prosperity equally with any other set of men or with any other industry. There can not be any question about that. There can not be any lasting prosperity in the country unless the farmer prospers.

We might as well consider that, but this bill is going far to make the farmer prosperous and give him an opportunity to ship his surplus products abroad at fair rates of freight and in American bottoms. That is one of the reasons why I favor this measure. I believe when we get down, notwithstanding the eloquence of the nonpartisan friends on the other side, we will have votes enough to put it through.

Now, since we have given Government aid to the construction of roads to the amount of seventy-five millions per annum, and have for many years appropriated millions for inland waterways, which are the simple arteries for the convenience of the producers and manufacturers of this country in the handling of the products of the soil and factories, anyone familiar with the great industries of the country must know that when we are producing at anywhere from 90 to 100 per cent of the maximum products of the soil or from our factories, a great surplus must be disposed of outside of our own country. Is it a great stretch of the imagination to conceive of Government aid for the purpose of opening up other arteries and avenues for trade through the use of the oceans of the world for the purpose of participating in the rivalry of the world's markets so far as may be possible in disposing of our surplus products?

By the present operation under the Shipping Board of the ships that we wish to dispose of under this bill we are creating a deficit of \$50,000,000 per annum of such ships as can be operated by the Shipping Board. The money for this deficit is taken from the pockets of the people, and by this operation we are driving from the seas all private shipping under the American flag, for the reason that it can not be operated on a basis of profit in competition with Government-operated ships. Now, in connection with this deficit, which is created wholly by operation, we do not take into consideration at all the depreciation on the ships that are not in operation, that are tied up at various docks and in various places throughout the United States, which undoubtedly is now, at the present moment, creating a deficit of more than \$100,000,000 per annum.

Of course, I do not suppose it is contemplated under this bill that all these ships will ever be disposed of, because many of them, due to their construction and size, never will be able under any circumstances to compete in the merchant marine business of the world.

Now, what does this bill propose to do?

First, it proposes to take the Government out of the shipping business.

Second, it proposes to discontinue the deficit from depreciation, which, as I have said, would amount undoubtedly to \$100,000,000 per annum.

It proposes to turn over these ships to privately owned companies on such a basis that they can be operated at a profit and yet be able to compete with the other ship-carrying companies of other countries.

It was clearly shown in the able address of the President that the greatest amount in any one year of the cost to the Government would be \$30,000,000, and that is based upon the maximum amount of ships which could be taken over and placed in successful operation.

Now, what does this expenditure of \$30,000,000 mean? It means that for every available ship that the Government turns over to private operating companies, if we have an opportunity to use the \$30,000,000, will be carrying from this market to some other market of the world its full cargo of merchandise; and this means that the business of this country, both as to the produce of the soil and manufactures, will be in full and successful operation, and that we shall enjoy the satisfaction of being able to ship these surpluses to such markets as we desire to ship them, anywhere in the world, in ships flying the Stars and Stripes.

It does not seem possible to me that a Representative from any section of this country could be opposed to a measure of this kind. I can not understand why it will not be just as helpful to the farmer who has wheat or corn or any other product, the surplus quantities of which must be shipped abroad, and why he would not feel that it was essential to ship these surpluses in American bottoms, particularly inasmuch as it would afford the Government an opportunity eventually to recover for much of the loss that has been made on the ships which we are to dispose of. It would eventually take the Government wholly out of the shipping business, thereby stopping all expenses, and finally at the expiration of 10 years the money that has already been paid out in subsidies would be coming back to the Government in profits earned by the ship companies over and above the 10 per cent limit.

And, therefore, Mr. Chairman, as a business proposition, as well as a patriotic proposition, I favor this measure and believe that as soon as the people of the country generally become familiar with the merits of the measure that there will be a reversal of the opinion of many people who are now disposed to oppose the measure, and that eventually it will be looked back to as one of the great achievements of this administration.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman and gentlemen of the committee, I regret exceedingly that I am out of line with the overwhelming sentiment of my colleagues on the Democratic side. There are only a very few of us on the Democratic side that will vote for this bill. I can not help thinking, though, that we are almost as illogical as some of our speakers have claimed the Republicans are in discussing this bill. As I understood some of the speakers on the Democratic side, the Republicans are illogical in having adopted the protective tariff, which naturally would restrict international commerce, and then clamor for a merchant marine bill which would have for its purpose the carrying of our commerce across the seas. Inferentially that leads me to the thought that our position in the matter of tariff is to remove as far as consistent with our purpose of deriving a revenue—to remove the restrictions from commerce that we can remove, and thereby foster and encourage and enlarge the international commerce of our country. If that be true, the inference is inescapable that we ought necessarily to be the prime movers in any purpose looking to the securing of the merchant marine in order to carry over the seven seas and across the great oceans that commerce which we apparently seek to enjoy with all the world.

No man, Mr. Chairman, in my judgment possesses the infallible touchstone of truth. Men equally honest and sincere will differ on a given state of facts and upon any issue that may confront them from day to day. I concede to my colleagues and to all men that which I trust they will freely grant unto me, and that is the sincerity of my professions and the convictions which I have the pleasure of uttering on the floor of the House of Representatives to-day.

I have always believed in a merchant marine. I have always thought it was necessary that we should subsidize our merchant marine in order to put it upon its feet, which would enable it to compete with the merchant marine of all the other nations on this earth. That has been my position as an American patriot and as a friend of labor.



I know, Mr. Chairman, that it is totally unnecessary for me to say to this House that I am friendly to labor, that I am glad at all times to act as the advocate and the champion of the wage earner. Why? Because I want my country, our country, to be and remain free; free industrially and commercially, as well as free religiously and politically; because I want the wage earner to be an upstanding, fearless American man and woman, who can feed, clothe, and educate their children so as to make for strength, courage, and ability to fight and win the Nation's battles. For then and only under such circumstances and conditions can you hope for men and women who will on some tremendous day fight and glory in making the supreme sacrifice for a land they know to be worth while. Poverty stricken, beaten to earth, ignorant people are indeed hewers of wood and drawers of water, and are vassals and hirelings in times of war and danger. The man of the hour, the brave patriot is the physically strong and mentally alert who battles for institutions and a country for a commercial and industrial system that has bestowed blessings and not misery upon them. And I had always thought, notwithstanding clashes between capital and labor, that it was an accepted truism that all American labor was more highly remunerated and better paid than foreign labor.

It was therefore somewhat humiliating and astonishing to me to hear declared on the floor by some of the great speakers on the Democratic side that there was no difference in the cost of construction, no difference in the comparative cost of our vessels and those of England, France, and other countries. The impressions of a lifetime are too strong, however, and I can not but resist the declarations that were made to that effect. I had always thought that the labor of America from every imaginable standpoint received a better pay, more adequate pay, and a higher standard, and enjoyed a better living than the wage earners or laborers of any country on the face of the earth. From every rostrum, on every occasion where labor was involved and discussed, men enjoying high positions, men in the pulpit, men from the floor, men representing gatherings, informed the American people that the American wage earner always occupied a higher and better and nobler position, in view of the splendid living he was enjoying, than the laborers of any other country on the face of the earth.

But here to-day to my astonishment I learned that the American laborer is as much a vassal as he is in the country beyond the seas; that he has had cause for complaint; that he is no better off than those who cry aloud for relief. During the great strikes of the past we were always told insistently day after day that in view of the higher and better position that he enjoyed over his foreign fellows the American workman had no just cause of complaint. Now we are told by some of the opponents of this bill that the American laborer, the American seaman, the wage earner from every imaginable standpoint is apparently in no better position than those we once were pleased by terms of comparison to call serfs in the industrial and commercial orders abroad.

Mr. BLANTON. Will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. BLANTON. Did not the gentleman hear the testimony read from the hearings that the chief engineer of one of the American boats gets \$300 a month while the chief engineer of a British boat gets \$110?

Mr. O'CONNOR. I have no call to discuss that with the gentleman. I know that the American is better paid. I have known all my life that the American laborer is better paid.

It may not be inappropriate for me right here to insert an extract from the report of the merchant marine committee of the Chamber of Commerce of the United States:

"That is, the aid should extend over a series of years, in accordance with many established precedents, as, for example, aid for the construction of rural post roads, vocational education, operation of canals and other works of navigation belonging to the United States, removing obstructions in the Mississippi River, aid for highway construction, for purchase of land to protect watersheds of streams, and refunding tonnage taxes and light dues to citizens of the Philippine Islands.

"Before dismissing the question of Government aid it is of consequence to consider the fact that the questions of sale and subsidy are practically inseparable. Under present conditions no experienced person has the slightest confidence in the Shipping Board's ability to sell any considerable number of its ships unless the sale prices are so low as to constitute practically a gift of the vessels. Therefore to insure a market for the Government-owned ships there must be an assurance that the purchasers can operate them in competition with foreigners without loss, and this assurance can proceed only through aid from the Government. A few figures recently made public

will tend to make this clear. An 8,000-ton cargo ship built in England as recently as 1920 can be bought for \$240,000, or at the rate of \$30 per dead-weight ton. Estimating interest upon this sum at 6 per cent, depreciation at 5 per cent, and insurance at 4 per cent, the yearly fixed charges would be \$36,000. The difference in compensation for crews between an American and British ship of this tonnage will amount to substantially \$800 per month. Assuming that both ships would be in operation for a period of 11 months in a year, the expense of the American ship for crew's wages for that period would be practically \$8,800 more than of the British ship, which deducted from the fixed charges of the British ship would leave \$27,200, or 15 per cent on \$181,000, or \$26.66 per ton, which is about what the American shipowner could afford to pay. This makes a difference in price of over \$7 per ton, determined by wages alone, in favor of the British as against the American ship."

I have heard day after day from my earliest childhood that this was and is the land of golden opportunity, and the iterations and reiterations, the constant expression of what everyone regarded as an American economic truth, that it did cost more to construct a vessel in America, and that it did cost more to operate vessels as a result of higher labor costs; I am unable therefore to understand why it is now thrust upon us as an issue, as a question of doubtful fact.

Mr. Chairman, some months ago I read a paper issued by a great association—I believe it is the Chamber of Commerce—in the city of Chicago, the greatest inland city in the world, and on its front page was announced the names of the men whose joint intellectual effort this paper was and is, for it is still extant. In all probability it expressed the thought of that great city and its environs more accurately than any other paper that could come from any other 20 men in that great city. I recall that in that paper were similar expressions that I had read in another great paper, I believe issued by the Cleveland Association of Commerce. A few days ago I received a paper from the United States Chamber of Commerce, which I read with considerable pleasure, because it expressed my own viewpoint so powerfully, so clearly, so convincingly, and because I knew that the ideas had already taken root as a result of the splendid papers that I have already referred to and which had produced such an indelible impression upon my mind. I think it is one of the most interesting papers I have ever read.

I know that my Democratic colleagues will approve this sincere compliment that I wish to bestow upon the Chief Executive of our country at this time, although probably it is not so much a compliment as a statement of fact. I believe it is generally regarded that he has expressed the thought of those who favor governmental aid to a merchant marine as convincingly, as eloquently, as felicitously, and as powerfully as any man that ever appeared before the American public.

I believe that this paper, which I am going to read, is, next to that splendid address, to that great speech in Congress, in all probability one of the finest things that has ever come to my notice—clear-cut, cogent, definite, and irresistible in its logic and expression. At any rate, it expresses my viewpoint and, I believe, the viewpoint of many, many Americans among whom I was born and reared. To the south of us lie a thousand gold mines, metaphorically speaking, for under the magic spell and influence of a merchant marine the golden fleece would be brought home from all the ports of Central and South America. At some not far distant day the shores of the Gulf of Mexico will be to the United States of America what the shores of the Mediterranean have been for nigh onto 2,500 years to Europe—yes, to Africa. On the littoral of Europe's great sea the human race has played for centuries the greatest acts in the grand drama of life. It is on the banks and along the shore line of the Mexican sea that commerce will erect her strongholds and enthrone industry. Far to the south of us, but within easy striking distance of the ports of the South Atlantic and those of the Gulf, is a great, splendid country, unexplored commercially as yet by us, untouched by the wand of American genius. Down in Central America, that will yet be the home of millions of people, and farther down on both littorals of the Atlantic and the Pacific, on the seashores of the great South American continent, lie magnificent opportunities for our country and particularly for the southern portion of our country that has suffered as a result of past inability to bring its treasures to all peoples of the world and bring back to us the rich goods, wares, and costly fabrics of the globe. For true, indeed, it is that he that would bring home the wealth of the Indies must carry the wealth of the Indies with him.

Mr. Chairman, that part of the country ought in the very compensation of things ultimately to come into something like



its own, to enjoy a part at least of the great commerce of the United States, and not have that commerce driven, to use a bromide, to use a much-abused expression, through the neck of the bottle, not constantly driven through the one great port of New York. The South Atlantic and Gulf ports should be put in a position, for the national welfare, to avoid the congestion at one great port, of taking care of a part at least of that commerce which shall go out and down into these southern seas to hundreds of millions of people in the near future. From Norfolk and Charleston and Savannah, from Mobile and New Orleans and Galveston, should established lines be maintained until we have won the commerce of the world and our galleons are the great American riders of the sea, making all of our country prosperous, not in spots but all of our country, North, East, South, and West, coast and inland, opulent and happy.

But let me take a Conradian swing from commerce and from her temples, citadels, and ocean carriers. Sometimes I think that the human race never will forget the terrors of a recent past. Dwellers along the banks of the Nile, the Tigris, and the Euphrates in ancient and bygone days would return to their ruined homes as a result of overflow and inundation and take up life anew. Those that lived on Vesuvius, on its slope, prior to the destruction of Pompeii and Herculaneum, and escaped its fiery and death-dealing lava, crept back to their homes, or what was once their homes, shortly afterwards. And ever since, whenever there has been an eruption and men and women have been driven frantically away, flying for their very lives, they have come back as soon as they could thereafter in order to redeem their homes and to live there regardless of its trials, its dangers, and its terrors. Such is the force of habit. We Americans, like all others, never will understand or keep in memory the terrors that have passed. Once gone they are soon forgotten. We all lay the flattering unction to our souls that there will never be another war. How on earth a country like ours that underwent the horror, the Golgotha, the agony of fraternal strife, where brother was arrayed against brother, can come to the fallacious conclusion that we will never engage in another war is incomprehensible to me. If we tore at each other's vitals for four and a half years, if we were at one another's throats, if we fought and clawed at each other's heartstrings, if it is a commonplace that under provoking conditions brother will fight brother, why should we believe that we will never meet a foe from across the Atlantic or Pacific and engage in a death grapple with him on the crest of their waves?

Mr. Chairman, I never like to mention Great Britain in any discussion in which I am engaged, for the reason that there is always probably in the minds of listeners what is deemed to be a justifiable belief that acrimony may be the parent of the thought that I might utter, though I disclaim it. I am first of all an American, and, secondly, an English-speaking person, standing and fighting to make their dreams come true and their aspirations a realization, but ever willing to denounce tyranny and aggression whenever practiced by any member of our great family. Let us suppose our quarrel had been with England in the World War and not with Germany. Do you believe for a single moment that the result would have been as glorious or would have been accomplished in as short a time as was our recent wonderful victory, written in fadeless, deathless lines in the pages of history? Could we have waged war against Great Britain and carried it across the Atlantic? Could we have transported a bale of cotton or an ounce of any commodity? Could we have shipped abroad a single dollar's worth of exports which make up our surplus production but which, in view of our economic, commercial, and industrial and agricultural organization, is indispensably necessary to our national existence? Of course, the terrors of the past are easily forgotten, so easily forgotten that there are times when I think that the "Recessional" should have been written for the Americans as well as for the Englishmen.

It is easy to be smug and to feel that there will be no more wars, although we grew great and powerful and strong and have come into the magnificence that we enjoy to-day, into a glory that was of Greece, a grandeur that was of Rome, as the result of wars. Yet the day that we ever cross the path, the day that we ever make it clear that we are likely to become the competitor of some great nation or of two great nations of Europe, war is imminent, and the blow will be struck when the converging lines of competition cross. Flatter yourselves as much as you wish that the millennium is at hand, that peace on earth, good will to men, reigns on this earth, but do not for the future of your country.

Delude your children into the belief that they can get along without a merchant marine, that they can go without a proper

establishment that will keep and maintain this as a republic, at least for some centuries to come. Commerce and safety, national security, call to us to remember the lessons of the past. Assyria, Rome, Greece, Carthage, where are they? They are one with Nineveh and Tyre. They have gone into the abyss of time to join the other mighty states, kingdoms, and empires that grew rich, great, powerful, and strong and then tottered to their destruction and fall as a result of no longer being willing to pay the price of glory—of forgetting that kingdoms, commerce, industrial empires, by toil and blood and tears gained, must be by toil and sweat and vigilance maintained.

But, Mr. Chairman, "Why a merchant marine?" receives an oracular answer in the great paper which I will now read—next, I repeat, to the President's great, thrilling, American address, the answer will take its place in the history of the shipping bill. It is a wonderfully illuminating and instructive document and makes for a liberal commercial education in itself.

#### WHY A MERCHANT MARINE?

"Some months ago an influential trade journal published in the Middle West desired to be informed why one man should be taxed in order to provide ocean transportation for another man's goods; why, indeed, if the ships of other countries can carry our exports and imports more cheaply than can our own ships, should we be taxed to support an American merchant marine? More recently a United States Senator, somewhat distinguished for his zeal in promoting what he believes to be the best interests of an influential body of citizens, expressed the view, according to the newspapers, that the Middle West would not consent to the subsidizing of an American merchant marine. Ocean transportation, he said, is not particularly close to the people in the Middle West. The farmer would more readily vote for aid to the railroads to bring down his freight costs, and he will support the St. Lawrence Ship Canal, because it will mean lower carrying charges on export and domestic commodities.

"Unfamiliarity with marine subjects in this country, especially in positions of great responsibility, has caused and is causing the taxpayers losses amounting to hundreds of millions, while the lack of understanding of the true relation of a merchant marine to the economic welfare of the country, both in and out of Congress, makes the future of our merchant marine at times seem almost hopeless. A comparison that is illuminating and not wholly invidious will serve to illustrate how greatly we are handicapped in respect of our national lawgivers when maritime subjects are under consideration. In the British Parliament there are 21 shipowners, and probably 100 additional members that are indirectly interested in shipping. In the Congress of the United States there is not one in either category. Probably this could not be said of the national legislature of any other maritime country in the world.

"The reasons for this state of things are obvious and imply merely lack of opportunity in the past for the education of a sufficient proportion of our population to the ways of the sea to provide informed representation in Congress.

"Generally the answer to the question, 'Why a merchant marine?' is twofold.

"A merchant marine is needed for the national defense and for the economic welfare of the country and, it may be added as an answer of far from negligible importance, because it corresponds to the ambitions of millions of American citizens who, realizing that shipping is not to be considered merely as a convenience or luxury, sincerely desire that the Nation should possess a merchant marine under the American flag, and in connection therewith make use for the benefit of the Nation of the splendid facilities afforded by extensive coasts upon two oceans.

"In harbors admirably situated and equipped for overseas shipping the United States has great natural resources. The desire to develop and utilize these great resources and increase the means of livelihood and of business and industrial activity through use of the opportunity afforded for overseas shipping proceeds from exactly the same reasons as those which give rise to the desire for the development and utilization of any other great national asset. That the resource is at the seaboard in no way differentiates it in its possibilities for creating wealth and adding to national advantage, in which all may share, from a resource of some other kind perhaps situated far inland.

IN RESPECT TO THE NATIONAL DEFENSE THE ARGUMENTS ARE OBVIOUS.

"The President in his recent message to Congress well said: 'The merchant marine is universally recognized as the second line of naval defense. It is indispensable in the time



of great national emergency. It is commendable to upbuild and maintain it, because it is the highest agency of peace and amity and bears no threat and incites no suspicion.

"And yet the American people have ever been slow to recognize this indispensability.

"Most business men can recall that when Admiral Dewey set out from Hongkong to make history for America at the Philippines he was compelled to purchase foreign vessels to transport his supplies. Again, when the White Squadron made its memorable voyage more than half around the globe the coal and other supplies were carried in foreign vessels. One need not conjecture what would have been the result of a war waged at any time in the past 50 years between the United States and any considerable power across the seas if dependence had been placed upon American vessels to do the necessary transportation. Every informed person knows what our extremities and anxieties respecting shipping were when the United States entered the World War.

"If we had been obliged to convey to France our troops, munitions, and supplies in our own ships the war would have been continued two years longer than it was, unless earlier terminated by the defeat of the Allies through lack of our cooperation. Because we did not possess a merchant marine of respectable proportions the Government projected itself into a hectic policy of shipbuilding, for which our inexperience and lack of facilities were so great that when the program was concluded we had spent over \$3,000,000,000, a sum sufficiently large to have enabled us, had we been so minded, to buy all the merchant vessels afloat in 1915, and yet we had constructed but few vessels when the armistice was declared. Meantime over 70 per cent of our troops were taken across in foreign, chiefly British, ships, and of the remaining 30 per cent the greater part were carried across in seized German and Austrian ships. It was in the small but efficient coastwise vessels and the vessels engaged in Hawaiian and West Indian trades that the bulk of the carrying under the American flag was performed.

"With the scrapping of warships and declaring a holiday in naval construction, the words of Secretary of State Hughes at the opening of the Disarmament Conference that the importance of the merchant marine is in inverse ratio to the size of naval armaments take on added significance. If war comes now the need of auxiliary craft will be very greatly increased, and vessels of 14 to 20 knots, manned by an efficient personnel, immediately will become a necessity of the Navy. Our ability to meet this necessity is far below that of Great Britain, with its large fleet of swift vessels, a considerable number of them of great size, and all of them almost immediately available, as need may arise, for war purposes.

"Our limitations in respect of auxiliaries of the better class are considerable. As it will be constituted when the disarmament program is fully developed, our Navy will require as auxiliaries in time of war 65 passenger ships of 16 knots and above, ranging from 3,000 to 15,000 gross tons each, or a total of 432,500 gross tons; 35 freight and passenger ships, 5,000 to 7,000 gross tons each, total 195,000 gross tons; 10 refrigerating ships of 16,000 dead-weight tons each; 50 colliers of 10,000 dead-weight tons each; 125 tankers of 9,000 dead-weight tons each; 30 freighters of 7,000 dead-weight tons each; 25 yachts of at least 700 gross tons each, or a total of 340 vessels of 3,470,000 gross tons, besides several hundred mine layers and sweepers, aircraft vessels, tenders, tugs, and a great variety of other craft. In November, 1921, the American ocean merchant marine numbered 41 vessels of between 15 and 20 knots and only 6 of 20 knots and above. Of the other classes we have at present sufficient to meet the demand, and will have in the future, if circumstances permit the retention of these classes under the American flag. The significant thing is that of seagoing vessels having a speed of over 12 knots we have only slightly more than 20 per cent as many as Great Britain. Of vessels of a speed less than 12 knots the tonnage is about the same.

"Another impelling motive for the encouragement of our merchant marine as an element of national defense lies in the deduction that as we decrease our naval strength, prudence dictates that we increase our civil strength on the seas, so that we may have, responsive to instant call, a large body of men capable of being quickly trained in naval warfare. And for the same reason we should have shipyards and a force of skilled shipbuilders. The importance of these factors has been strongly expressed by Admiral Sims in a statement made on a recent occasion to the effect that 'the Navy of the United States would be of very little value as a defense of the United States and our possessions if it were not for the merchant marine.'

"Should the present period of business depression be followed by a decline in American shipping, or even by a serious postponement of its development, the shipyards in this country will greatly suffer, and probably many of them will be forced to go out of business. This would be a serious misfortune, since these yards are necessary to national defense as well as to the healthy development of a merchant marine.

#### THE ECONOMIC REASONS FOR THE ESTABLISHMENT OF A MERCHANT MARINE ARE VARIOUS.

"In all the history of the world nations have been great and rich as a rule in proportion to their power on the sea as merchants and fighters. Humboldt said that contact with the ocean had been one of the chief influences in forming the character of nations as well as in adding to their wealth and power. As our own Emerson, who saw most things clearly, has put it: 'Chiefly the seashore has been the point of departure to knowledge, as to commerce.'

"The most advanced nations are always those who navigate the most.' Another has said that 'no nation is free that has not a merchant marine to carry its goods to all markets.' Scores of students of the subject, including Admiral Mahan, the leader among them, concur in their testimony as to the importance of a merchant marine to the economic welfare of nations. And at no time since men began to employ ships as agencies in the great enterprise of barter has a merchant marine been so important an element in the activities that enter into the prosecution of world trade as it is to-day. International commerce on a large scale under the present conditions of competition requires a world organization of industry, trade, and shipping. This organization begins with manufacturing and includes merchandising, international banking, marine insurance, ship brokerage, freight forwarding, and the construction, ownership, and operation of vessels. When this interrelated organization has been completely developed, as it has been by the people of Great Britain, foreign commerce can be carried on under the best of conditions. If shipping under the national flag is absent from the organization, as developed by the people of any country, the organization is less effective. Shipping under the national flag and an adequate tonnage of vessels of different types are in fact essential parts of the trade facilities and organization with which the people of the United States will be able to extend their commerce to all sections of the world. In other words, if we are going to succeed in foreign trade not only our wares must compare favorably with those of our competitors but our service as well, of which shipping is an important factor.

"It was not so very long ago that only 12 per cent of our exports consisted of manufactures. To-day that proportion is 30 per cent or more, and during the war it was considerably higher. The product of our expanded industries, taken as a whole, is so much greater than our national requirements as to create a serious situation that will be reflected on every farm and in every shop, and in every home as well, unless markets for the surplus can be found abroad. A prominent writer on trade subjects assures us that we shall be obliged to export in the future twice the volume of exports that we sent abroad before the war.

"Not many readers of this page realize the variety of our shipments to foreign lands or how widespread is their production. To state all this information in detail would require a catalogue of no mean proportions. Last year our exports totaled \$4,485,122,696 and our imports \$2,529,025,403. There is not a State in the country that does not make a contribution to our export trade, and single cargoes often contain commodities from many and widely separated parts of the country. It is said that an analysis made of a cargo recently shipped to South America from a southern port disclosed that practically every community in the United States, manufacturing and agricultural, had a part in the production of that cargo.

"But it is asked by the uninformed, why emphasize the importance of our foreign trade? It is only a fraction of our total trade, and the loss of it could easily be offset by a well-directed expansion of our domestic trade. One of our half dozen greatest manufacturers has pointed out that the last fractional part of a given industrial production often represents the profit of the whole output, and that a market for the last part, outside the saturated limits of our domestic market, is essential to the success of the manufacturer's venture. Furthermore, while in some industries the percentage of product exported is not large, it is to be kept in mind that of cotton, wheat, and copper from 20 per cent to 30 per cent and even 50 per cent is exported.

"Many fairly informed people imagine that the United States is practically a self-contained nation. It will surprise them to learn that quebracho (whatever that may be), necessary to the tanning industry, comes from Argentina; rubber from Brazil



and the Far East; nickel from Canada and New Caledonia; tin from the Malay Straits and Bolivia; raw silk from China and Japan; wool from Australia and Argentina; flax from Russia and Belgium; jute from India; sisal from Yucatan; coconut and other vegetable oils from the Dutch East Indies and the Pacific Islands; coffee from Brazil; tea from various countries; cocoa from Venezuela; sugar from Cuba; rice from the Far East; spices from the East Indies; platinum from Colombia; and vanadium from Peru. And this by no means fully discloses our dependence upon foreign lands for many of the essentials that enter into the production of our food and clothing, and of others that enter into the prosecution of our farming and manufacturing industries.

"In meeting the transportation requirements of this export and import trade it does not seem logical to employ exclusively the ships of our competitors. Particularly as to exports, there seems to be no good reason why we should not perform this service for ourselves.

"No sane merchant would permit competitors to deliver his daily sales, even if the competitors should offer to do it more cheaply. There is a psychological element in the relation of seller and buyer which every dealer in commodities realizes and which is greatly diminished, if not wholly lost, by the employment of a competitor as an intermediary at any point between purchase and delivery. This business principle applies to deliveries by ship. Ships entering the ports of the world flying the American flag advertise to the nations that these vessels are the delivery wagons, so to say, of our country's commerce. Not only that, but a laden vessel sent to a foreign country becomes a drummer there, or a trade missionary, not only for the sale of the goods carried out but for cargoes to bring back. If there is not at hand a cargo to bring back, the shipowner seeks one; may even buy one if it can be obtained in no other way. The return cargo may be something which can be sold here in the United States at a profit representing reasonable freight rates. In this way the owner gets his freight charge and establishes a new trade. Also, American ships visiting foreign ports lead to the establishment in those ports of American branch houses, fighting for a portion of the carrying trade for American ships and for the participation of American merchants in the world's business. Foreign agents will not work full-heartedly for American interests, especially when in so doing they will be working against the interest of their own nationals. In other words, 'trade follows the flag' to a considerable extent, even in these times, as men of world-wide experience in trade realize. In determining the accuracy of this statement one has merely to reflect upon one's own reaction toward the wares of a country whose trading ships are constantly in evidence, as compared with the wares of another country that has no ships; or toward a city shop whose delivery wagons are always to be seen on the streets, and another that has no delivery wagons. Only exceptional circumstances will maintain equality in trade inducement in such cases.

"In refutation of this seemingly obvious proposition it has been suggested that European debtor nations of the United States should be permitted freely to do our ocean carrying, since ocean transportation is a commodity, and it is mainly through payment by commodities that foreign indebtedness can be liquidated. This theory is thought to be illustrated by the case of the merchant who terminates his contract with an express company for the delivery of his daily sales and undertakes to make his own deliveries, despite the fact that the express company happens to be largely in his debt, and under the new arrangement will be deprived to a considerable degree of the means of paying what it owes.

"It is easy for the uninformed to make brief and specious statements respecting economic questions that can be effectively answered only by extended explanations. In this instance it must suffice to point out that if affording opportunity for foreign nations to pay their debts to us through commodities is to result in the ruin of important American industries it might be the better plan wholly to discharge the debts. In the case of the merchant of the illustration it might or might not be advisable for him to terminate his contract with the express company. That would depend upon a variety of circumstances. The Government aid generally recommended by the advocates of an American merchant marine is based upon a tonnage requirement for the transportation of only 50 per cent of our imports and exports. Our foreign debtors, who are likewise among our competitors in the carrying trade, will be the last to complain of any measures that we may adopt to promote our national well-being if there is still left to them the transportation of substantially half the merchandise that constitutes our foreign commerce. The express company also doubtless would not complain of the merchant if the latter in advancing

his interests by making deliveries on his own account still permitted the company to deliver 50 per cent of the total.

"Still another advantage arising from national ships is the opportunity afforded merchants in foreign ports to secure favorable rates for special shipments of merchandise when a reduced rate is necessary to success in competing with foreigners in respect of such shipments. A shipowner, being human, will always favor his own.

"There are still other reasons upon which the maintenance of an American merchant marine may be justified.

"The modern ship which enters into a merchant marine offers no service, and its owner has none to sell, except transportation, and it offers this service essentially as a common carrier. The owner differs from the shipowner of an earlier era who in large measure loaded his vessel with his own goods, or goods he purchased, and sent them abroad to sell on his own account. Such a shipowner was primarily a merchant.

"This does not mean that there are not many vessels to-day which are used by their owners to transport cargoes they themselves own, and there are many instances of industries which, for their own convenience, own their own vessels and use these vessels to fetch raw materials and to carry abroad, often to their own foreign branches, their own products. Usually, such vessels are specialized in one way or another for the peculiar service for which they are intended.

"The typical modern vessel, however, runs on an established route as a cargo or a passenger liner, or is a tramp, seeking and carrying cargo wherever it may be found. These are the vessels which constitute the merchant marine of a country, in which all industries and all classes of population are most directly interested.

"This interest is very real and highly practical. It rests upon the national importance of having vessels on the seas which will afford facilities of transportation to bring in essential raw materials and to carry exports. There is an equal interest in the country being in a position, through having vessels under its flag, to have something to say with respect to the rates for ocean transportation paid upon its essential imports and charges for the carriage of its exports to other markets. With respect to adequate facilities for ocean transportation of imports and exports and with respect to reasonable rates for such transportation, there is exactly the same public interest as in adequate railroad transportation at reasonable rates within the country. Without an American merchant marine which can engage in the overseas trade the American public interest can not be assured and reasonable rates for ocean transportation can not be enforced.

"For the promotion of the public interest in these respects, however, it is not necessary that all American imports and all American exports should be carried in American vessels, but it is essential that the American merchant marine should be of such character and of such capacity that it can be used to assure that American interests will not be neglected, either in the ocean transportation that is available or in the rates that are charged.

"And these observations deserve consideration from the advocates of the St. Lawrence Ship Canal equally with those who advocate a merchant marine and Government aid therefor, independently of whether the canal is or is not built, either with or without Government funds. It is almost unthinkable that the patriotism of the farmers, who, it is assumed, will be the chief beneficiary of the new access to the sea, will permit the practically exclusive use of it by foreign ships. Nor is it to be assumed that the farmers will oppose subsidizing shipping as a special industry if the need for it is clearly shown, recalling, as they will, that they have received consideration for their products in all the tariff laws, a bounty on sugar when the duty was removed in 1890, and sympathetic treatment during the crises in their economic condition during recent months. The truth is that no class of our population is more deeply concerned in this question of a merchant marine than the men who live on the western farms. And there are evidences that they are arriving at a realization of the fact.

"Pursuing the subject of justification further, one of our consuls recently pointed out that it was noticeable that American goods freighted on foreign vessels were never handled, warehoused, or delivered as carefully as those originating in countries from whence the foreign vessels hailed. Shipowners and ships' personnel will always advance the trade interests of their own country to the disadvantage of the trade of other countries, even when they are being paid for transporting competing foreign goods. Instances have been brought to the attention of officials in Washington where American goods being carried abroad in foreign ships have been with intent



delayed in transit, while other goods of the ship's nationality have been sent forward to meet the market and fill specific requirements. Admittedly, these are extreme cases and have not often occurred, but they illustrate what is constantly occurring in less objectionable form. It is perfectly futile to expect that the United States will ever attain the position in foreign trade which it must attain, if it is to be commercially successful, unless it employs methods that have always obtained among the trading nations of the world; that is to say, unless the salesmen, the banks handling the financial matters involved, the ships, the agents to whom they are consigned, and the underwriting are practically all American. The futility of dependence upon foreign agents in these relations is well expressed in the words of a former American minister to a country with which it is of the highest importance the United States should sustain the closest possible trade relations: 'There were but few American commission houses. In most cases goods manufactured in America were handled through houses of other countries, which gave but scant attention to promoting American trade and used American products only when those of their own respective lands could not be obtained.'

THE UNITED STATES SHOULD NOT PLAY A SECONDARY OR UNIMPORTANT RÔLE ON THE HIGH SEAS OR IN INTERNATIONAL COMMERCE.

"The control of trade routes, time schedules, and rates are important to the development of commerce. Ocean freight rates are commonly fixed in conferences of steamship owners. The nation that is without a merchant marine can have no voice in these conferences, nor is it in a position to demand the consideration in such matters that equality of possession usually compels, as Germany so frequently proved when she forced for herself a place in the carrying trades of the world.

"It is also to be observed that foreign trade is dependent not only upon participation in established markets, but also upon the creation of new enterprises in foreign lands. Engaging in the operation of ships naturally leads to establishing connections with such enterprises, especially in undeveloped countries, such as lie to the south of us. Where ships go there go also merchants of the same nationality to establish themselves in business and promote their country's commerce. In the early part of the nineteenth century many of the owners of our fleet of sailing ships amassed great fortunes through investments abroad that were the direct result of the contact established through the operation of their ships. Again, merchants and consular officers in foreign ports are quickened in their efforts to increase trade, through cooperation with ship-owners and shipmasters.

"In the event of war when tonnage is withdrawn from its ordinary employment, a neutral nation possessing its own ships, through the exercise of government control, can be assured of lower freight rates than can the nation without ships. In connection with this statement it should be remembered that during the Boer War when Great Britain employed a considerable part of its merchant fleet for war purposes the scarcity of tonnage available for this country caused rates sharply to advance, while there was a considerable decline in the volume of our exports. During the World War, and for the same reason, our merchants were compelled to pay foreigners for the carriage of goods rates that now seem like an unpleasant dream.

"For many years foreign ships have carried practically all mail destined from this country to those parts of the world reached by sea. Before the war much of the mail dispatched to South America was first carried across the Atlantic to European ports and there transhipped to its destination. And the same circuitous route was followed by mail sent to the United States. Besides the injurious effect upon business relations arising from the delay thus incurred, there was also involved the hurt to national pride because our letter carrier's uniform was red, or some other color, instead of gray.

"If it is to be the policy of the country to develop new trade routes overseas, as seems to be the desire, particularly of the business men of the Middle West, undeniably this end will be attained most readily by the employment of American ships, and especially will this be true if close alliance is sought with the railroads of the country. In view of the newly aroused interest in the disclosed connection between certain of our prominent railroads and foreign steamship interests it is doubtful if the country would approve such extension of this relation with foreigners as would be necessary to accomplish its purpose.

"Brief reference may be made to a phase of this subject that commonly receives but little consideration. England has always had a balance of trade against her; in other words, she imports in value more than she exports. But this balance in the exchange of commodities has been corrected by her 'invisible exports'; that is, the interest on her loans and invest-

ments abroad and by her freight money. As the great carrying nation of the world all other nations have made contribution to her, and the largest of these contributors has been the United States. In 1920 the United Kingdom's net national income from shipping, as estimated by a leading English shipping journal, was 340,000,000 pounds. The economics of this situation afford opportunity for argument, but it may suffice for the present purpose to say that, when our merchants sell goods for delivery abroad, if the freight money is paid to a foreign ship, that money, or at least the transportation profit involved, is deducted from the nation's capital and is added to the 'invisible exports' of the carrying nation; if the goods are carried in an American ship the freight money is retained here and the profit in the transaction is added to the nation's wealth. Our contributions of freight money to other nations in the last half century will aggregate a sum in millions quite impossible of estimation.

"It is interesting at the moment to read the thought expressed by President Grant upon the subject in a message to Congress in 1870: 'Building ships and navigating them utilizes vast capital at home; it creates a home market for the farm and the shop; it diminishes the balance of trade against us precisely to the extent of freight and passage money paid to American vessels, and gives us a supremacy of the seas of inestimable value in case of foreign war.'

"In view of the reasons here set forth, it is hardly conceivable that the people of the United States will be willing to withhold from their merchant marine the comparatively moderate amount of money needed to sustain it, permit the flag that has been recently shown in every part of the world to be wholly withdrawn from the seas, and the ships their patriotism and sacrifice brought into being sold to foreigners and employed as carriers for the commerce of the United States under alien flags.

"Given such support by the Government as the exigencies arising from higher costs of construction and operation and present lack of experience demand, there is every reason to believe that in a few years the American shipowner will regain that prestige which his predecessors in the sailing-ship days commanded, and that we shall again see the country's flag flying in every port of the seven seas. When that day arrives it may be reasonably assumed that the American shipowner will have attained the self-reliance and the capacity to compete on equal terms with the rest of the world his earlier prototype acquired by long and hard experience, because 'the ocean knows no favorites. Her bounty is reserved for those who have the wit to learn her secrets, the courage to bear her buffets, and the will to persist, through good fortune and ill, in her rugged service.'

The CHAIRMAN. The time of the gentleman has again expired.

Mr. O'CONNOR. Mr. Chairman, I wish to thank the gentlemen of the committee for their patient hearing, and I ask the privilege to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 12817 had come to no resolution thereon.

#### LEAVE OF ABSENCE.

By unanimous consent—

Mr. GALLIVAN was granted leave of absence for 10 days on account of death in family.

Mr. BURTON was granted leave of absence for five days on account of illness.

#### EXTENSION OF REMARKS.

Mr. LARSEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an extract from the Valdosta Times of Wednesday, November 15, 1922, containing an address of my colleague [Hon. W. C. LANKFORD], delivered in Valdosta, Ga., at an armistice day celebration, November 11, 1922, and have the same printed in 8-point type.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

[From Valdosta Times, November 15, 1922.]

The following is the full text of the excellent and patriotic armistice day address, delivered in Valdosta, last Saturday, by Congressman WILLIAM C. LANKFORD, of the eleventh district:



Ladies and gentlemen, I appreciate very much this opportunity of addressing the American Legion membership and their friends of Valdosta, of Lowndes county, and of the surrounding counties of Georgia and Florida.

It is my purpose to speak at this time of the service which has been rendered our country by our patriots now still in life as well as by those who have passed off this stage of action and of the duty we owe to them, to ourselves, and to those who shall live after us.

That great and matchless leader, Robert E. Lee, said, "Duty is the sublimest word in the English language," and he was right about it. The due and true performance of duty to ourselves, to our fathers, mothers, relatives, and friends, to our country, and to our God constitutes the supremest patriotism. Duty, as Lee saw duty, and as was truly performed by Lee under all circumstances in war and in peace, in all relationships with his fellow man, with his native State and his native Southland, and with his God, constituted the all of human greatness. When duty is fully performed by any man or set of men there arises a reciprocal obligation on the part of those benefited by that performance of duty.

A father and mother discharge fully the duty they owe their children, and there arises the blessed obligation on the part of the children to love, honor, obey, and help with the tenderest care those to whom they owe their all. A good citizen helps under all circumstances his fellow man, and his fellow man owes him a reciprocal obligation. A nation's bravest and best marches away to battle and win their country's cause; and, with some dead, others crippled and blind, but all crowned with everlasting glory, they come marching back to take their places again in civil life, and the country owes them a debt of gratitude which can never be fully paid in money. Oh, the never-ending debt of love we owe to the memory of those who gained our independence and who sacrificed at Lexington, Valley Forge, and Yorktown! How our hearts swell within us as we recall the heroism and patriotism of our noble men and women in every emergency, from Bunker Hill to the armistice, which we are met here to commemorate, and from the first trip of white men under Capt. John Smith up the Potomac to the present site of our Nation's Capital to the day of the airplane. The half has never been told of the sacrifices at home and overseas of our people in the great World War. Our boys faced an enemy such as was never faced before, and our boys fought as men never fought before—and won.

All honor and glory to our boys who went across, and all honor and glory to their fathers and mothers who stayed at home and suffered all the agonies of all battles while they knew their dear ones were risking their all fighting the most terrible war ever staged and fought by wild and frenzied men. Men and women all over our land did nobly their parts, and victory is ours.

Ladies and gentlemen, I would gladly build, and I am sure you all would gladly build with me, a monument to our heroes and heroines of all our wars and of peace times—a monument the apex of which would reach the highest heavens. We can not build such a monument of brass or of marble, but we can build such a monument by preserving the principles for which our people have fought and sacrificed and upon which our Nation was founded by honoring and teaching our children to honor our great men and women and our great citizenship of common people; by preserving our institutions; and by making our Nation steadfast, secure, and imperishable. We can build such a monument to heaven by the prayers of a God-fearing and God-loving people ascending to the throne of the great I Am, seeking divine guidance for us and our posterity, that our great principles and great institutions might be preserved and our Nation not perish from the earth.

Shall this "Government of the people, for the people, and by the people" perish from the earth?

We want to believe that our Nation is steadfast and secure and that it is as imperishable as the sun. But we must remember that the expression, "That this Government of the people, for the people, and by the people shall not perish from the earth" was not uttered as a prophesy, but, rather, as a prayer that our Nation might never fall. The greatest monument we can possibly build to our heroes and patriots of the past and present, living and dead, and of the conflicts of war and of the pursuits of peace is to make our Nation imperishable and preserve inviolate in this Nation every true principle and every noble institution for which they sacrificed and for which they died.

It is easy enough for us to say this Nation shall never perish. Let us see what all-sufficient reasons we have for the faith that is within us. Shall our great expanse of territory, with Alaska and our island possessions, be sufficient to save us? Has ter-

ritory ever saved any nation? We are not superior to England in this respect. What about the territory of Russia and Siberia? What about the territory of China? The territory of Alexander the Great was bounded only by the rising and setting sun, and yet as a nation it failed. Our great territory alone can not save our Nation. Shall our great resources make our Nation permanent? What of the resources of other nations? What about the resources of Argentina? What about the oil fields of Mexico, the diamond fields of Africa, and the mineral and other resources of European countries? Our resources will help us, but we need yet other things to perpetuate our Government.

Can we rely on our great Army and the wonderful fighting qualities of our American men? Caesar's legions grandly and proudly marched out of Rome with their helmets and bayonets glistening in the rising sun, and yet where is the mighty Roman Empire for which they fought? Napoleon's mighty army at one time it seemed would overrun all of Europe, and yet the tiny snowflakes of the north became the winding sheet of thousands of his bravest and best and forced him to retreat, only later to meet defeat at Waterloo and die in exile on St. Helena's barren coast.

Kaiser William thought he would overrun all of Europe and the world with his mighty fighting machine, only to meet the most crushing and humiliating defeat. Surely a mighty army without more can not save our Nation. Is our Navy sufficient to make our Nation imperishable?

Can we put our faith in the Navy of Perry, of Decatur, of Farragut, of Sampson, of Schley, and of Dewey? Can we rely on the Navy which carried the boys over and brought them back in the last war? If any country could expect its navy to save it from failure, we could, but no nation can build a navy large enough to preserve it without other saving forces. The great armada went down in defeat. Then, again, as fast as a navy is builded it becomes antiquated and is discarded. The airplane makes the battleship as a fighting machine only problematical, and yet no nation can rely on the airplane for its preservation. Neither can we feel assured of our Nation's security because of the inventive genius and learning of the American people. We are proud of American progress and accomplishments; but we must remember other nations and peoples are progressive and our own inventions help to make other nations strong.

If we can not rely on our territory, resources, Army, Navy, or learning, either separately or collectively, then shall our Nation perish, or is there saving power in other factors? Is there no Strong Lion of the tribe of Judah to loose the great seals and open the great book of mystery and let us read of our Nation's future and learn what we shall do to save our country? The seals are loosed, the great book is open; there is no mystery about the plan of our national salvation. Our forefathers have shown us the way. That for which our forefathers and their families braved the perils of the Atlantic and faced the wild beasts and savage Indians of an unknown country and for which they later fought their mother country is all sufficient. The same factors which were sufficient to establish on this continent our form of government and which have preserved it to this good hour are sufficient in the future to save this Government.

The preservation of three factors in our Nation's existence will make our Nation imperishable. These essential factors are our great principles, our great men and women, and our great institutions. Our country is great because of the great principles embraced in the Declaration of Independence, in our Constitution, and in the very beginning and life of our Government. Among the great principles which must be preserved are "the separation of church and State"; "the right to worship God according to the dictates of one's own conscience"; "religious freedom"; "equal rights to all and special privileges to none"; the theory that "all men are created equal"; the right of each community, so far as practical, to govern itself; the right of local self-government; "State rights"; "freedom of the press"; and the right of public assembly and free discussion of matters of public concern. I shudder with fear when I see these principles disregarded and laws enacted in violation of them. There is a tendency now to get away from the old moorings. The theory of no class legislation is now a theory or principle in name only. Nearly all national legislation is for special classes and against the great mass of common folks. This is true of the so-called protective tariff system. Then there is the great centralization of power in Washington and the depriving of the people of local self-government and of State rights. The people of the different sections of our country need different legislation, so local self-government is best for all. If we centralize fully all power at the Nation's Capitol, then carry to the



full limit the theory that to the victor belongs the spoils, and give the Chief Executive a large Army to enforce the decrees of himself and his spoilsmen, then we have as bad form of government as the sun ever shone on.

Another great principle of our fathers was that our National Government should be divided into three great branches or divisions, to wit, the legislative, the executive, and the judicial, and that neither of these should overlap or encroach on the prerogatives of the other. Much of present national legislation is contrary to this principle.

Only recently the President was given the right to manipulate tariff rates in defiance of this principle. Lump-sum appropriations, with the right to some appointive officer to distribute the funds, is also contrary to this principle. There is scarcely a single great principle of our forefathers which is not now being overridden. It is time to stop, take our bearings, ascertain where we are drifting, and turn aside before it is too late.

Our great danger of downfall is not from invading armies; it is from decay on the inside. We want to get back to the principles for which our forefathers contended. My noble young men of the American Legion, your victory is in vain unless you and the rest of our citizenship can preserve our great principles, our great men and women, and our great institutions. We honor our great men and women. We honor our first President, and we honor our great men and women who have written their names on history's page. But we must remember that Washington did not cross the Delaware alone. He did not force the surrender of Burgoyne single handed. He was not the only man present at the surrender of Cornwallis at Yorktown.

Robert E. Lee, great and good and beloved as he was, did not stage the great defense of the South alone. In this, the greatest defense of home, of true principles, and of sacred rights ever made since the stars first sang together, Robert E. Lee and "Stonewall" Jackson had the aid of the other southern generals, had the aid of the brave, gallant, southern men who fought under them, and the aid of the great, splendid citizenship of the entire South who could not take part in the battles, but who remained at home and sacrificed and suffered there as patriots have never suffered before or since.

Thus it has always been and always will be. The great men and women of our country are not only those whose names appear on history's pages or who accumulate great wealth or who hold office, but the great men and women of our country are those who do their part with never a thought of show but with only the desire to serve nobly and well their family and neighbors and to render acceptable service to their country and to their God.

Of more value to us than all the great expanse of territory, all the resources, all of the standing armies, all of the navies, and all the learning of a scientific nature is the great noble citizenship of our country, which must be preserved and kept pure if our Nation is to endure. Young men of the American Legion, ladies, and gentlemen, you have done well your part in the past; now your duty and my duty is to preserve that for which you have fought and saved our Nation by saving our great folks and giving them a fair deal. We must fight to preserve our great principles, to secure proper legislation for the laboring man, the farmer, and the great citizenship which preserves our Nation in war and in peace, and we must all fight to keep pure and sacred our institutions, our homes, our schools, our ballot box, our form of government, our courts, and our churches. We all love the name of Washington, and the American people have builded to him yonder in Washington, on the banks of the Potomac which he loved so well, a most beautiful monument of granite, rising 555 feet into the sky. I have studied that monument in all parts of Washington and for miles and miles up and down the Potomac and from the surrounding country. I have seen it on a clear day, a beautiful shaft of white piercing the blue sky, and I have said, "How like the character and life of Washington, without a blemish, sublimely grand and towering to the sky."

Again, I have seen it with the dark clouds gathered about it and with the lightning of the storm flashing thick and fast about its magnificent shaft and yet it stood unharmed, and I said, "How like the immortal Washington in war"; and then the storm clouds rolled away and I saw a rainbow, emblematical of peace on earth and good will to men, hanged from the Virginia hills over the monument and over the Nation's Capitol to the waters of the Chesapeake, and I said, "How like Washington and the country for which he fought after the storm clouds of the Revolution had passed away."

Again, I have seen the base of that Monument completely hidden by the low-lying clouds along the Potomac while the top of the Monument was aglow with the sunshine above the clouds,

and then I said, "How like the eternal principles for which Washington and his men fought, which tower above the clouds of petty strife and dissension into God's everlasting sunshine of right." But, my friends, beautiful and magnificent as the Washington Monument is, it could not stand for a single second of time unless its base went down through the mud of the banks of the Potomac and was tied into the granite foundations of the earth. So it is with the great and glorious Washington. Unless he had been supported by a great citizenship of patriotic Americans, his greatness would have never been known and he could not have towered to the skies as the great patriot, general, and statesman that he was. We must preserve our great principles, our great men and our women, and our great institutions if our Nation is to long endure. We must preserve the sacredness of the ballot box and the selection of our officials by popular vote. We must let every man, woman, and child feel that they are part of this Government and that the Government is giving all a fair deal and equal protection, and all must not only feel this way, it must be this way. As our people lose the right to legislate for themselves and to control their local affairs they become less satisfied and the Nation becomes weaker.

Not only must the sacredness of the ballot box be preserved but every voter should feel that he is performing a sacred duty when he casts his ballot, and he should be influenced by no motive but that of his country's good, and that vote when cast should have its full effect in shaping the destiny of his or her country. I can not express too often my great fear of the centralization of power in Washington and the abridgment of the rights of the States to control their own affairs. Neither can I warn you, my friends, too much of the danger of appointment of officers by the President to manage our local affairs.

What good is the right to vote if that vote is to count for naught? Let us look well to these things. We must preserve our form of National Government, our form of State and county government, and other local government as our forefathers intended, not as some would have us make them now. Three other institutions which I would specially mention as most essential to our national existence are the American school, the American church, and the American home. Our American schools mean the upbuilding of our Nation or its undoing. Much education along the wrong line is bad. Education along the right line is good. Our boys and girls should be taught not only book knowledge but should be inspired to live better and nobler lives. The purest and best patriotism should be instilled in them, and by patriotism I do not mean the love of military affairs and the love of war. Patriotism oftentimes means anything but things of a military nature and means the abhorrence of war. True patriotism only countenances war as the only and last honorable alternative in a crisis of a country. Patriotism is love of country, and there can be no love of country without the love of boys and girls and their fathers and mothers.

Our schools must teach loyalty to our Government first, last, and all the time, and our Government must remain worthy of that loyalty. There must be countenanced no loyalty to any foreign power or potentate. Our Nation must be first in the love of our people. I would that every school in our land had the Declaration of Independence on one wall and the Constitution of our Nation on the other, with the American flag waving overhead, and with teachers training our boys and girls to be great men and women of a great citizenship and to stand for the great principles of our fathers, to love our great men and women, and to preserve our great institutions. In our schools the guardians of our Nation's future are being made. We must preserve our schools in all the purity of thought and patriotism of the days of long ago. We must preserve the principles of religious freedom and of separation of church and state brought to this side of the Atlantic by our forefathers. The Government must not interfere with the right of all to worship God according to the dictates of each one's own conscience, and no religious denomination should be allowed to interfere with the matters of state for the purpose of furthering the interest of that denomination.

I fear very much the great tendency to do away with the American Sabbath. Many people believe that freedom of religious thought means freedom from religious thought. I shudder at the prevalent propaganda staged for the purpose of causing the young manhood and womanhood of the country to forget the churches of our ancestors. Our ancestors came over to the New World full of patriotism and full of the desire to worship God unmolested by the Government, each under his own vine and fig tree, as suited him or her best. Our Government was founded on these principles, and fail we shall as



a Nation when we stray from them. When the fathers and mothers out in the country and in the cities gather their children about them on the Sabbath day and go to the church of their own choosing, we have a splendid exemplification of the times of our fathers and mothers of long ago and know that there is a growth of love of home, love of neighbors, love of native land, and love of God which should be an inspiration to all of us. We need in some sections of this country a new baptism of patriotism. There are too many profiteers and not enough patriots. There is no higher patriotism and love of people, native land, and God than that taught in the old book of our fathers, the Bible of our mothers. Real patriotism is that expressed in service of our fellow man, and there are no higher and grander lessons of service than those taught by Christ.

Christ teaches us to feed the hungry, clothe the naked, care for the sick, and visit those in prison, and then says, "Verily, verily, I say unto you, inasmuch as ye did it unto one of the least of these, my brethren, ye did it to me." So it is with those who help bring about conditions which enable our great common people to feed, clothe, and care for properly themselves and their children.

When we help the farmers and our great citizenship of people who feed, clothe, and save our Nation, we save not only them but our Nation also.

We must preserve our great principles, our great citizenship, and our great institutions, and of our great institutions none is greater than the American home. By the home I do not simply mean a house where people live, I mean a real home with home influence. Some one has said home is a place where mother lives. "Be it ever so humble there is no place like home." Home may not be a mansion—it oftentimes is a simple cottage. Most real homes are humble abodes where father and mother live and where children romp and play, and where the future great men and women of our Nation are growing up. Our Nation can not endure without the American home and with the American home saved our great principles, our great citizenship, our great institutions will be preserved and all will be made steadfast.

No move worth while was ever made which was not to make homes and home life better and happier. No law worth its place on the statute books was ever enacted which did not mean protection and assistance to home life. No army ever fought for a just cause unless that army fought for the homes of its men. If our homes are pure, our Nation is pure, and if our homes fail and are without the power to raise great children to preserve our principles and institutions, then our Nation is rotten at the heart and can not endure. As the Mississippi flows on its way to the great ocean a pure sweet stream flows in to purify it, and then a dark muddy stream flows in to make it muddy and black, and so it is with the home life of our people—the great Mississippi of our Nation. If the influences of whatever nature they may be that come into the home life of our people are pure and sweet, then our home life and our national life is pure and sweet and imperishable, but if the influences coming into the homes of our people are dark and corrupt, then our homes fail and our Nation will perish.

My friends, thank God the war is over, and may we never have another war, but the battle for the right is still on. The great monster of sectional intolerance, of political hatred, and of financial greed still raises his awful head, grinning defiance to all we hold sacred and seeking to destroy our institutions, our schools, our churches, our homes, our children, our people, and our Nation. Let us fight as our fathers fought to save our loved ones and to save our country.

Let us all take part in the conflict to make our Nation imperishable. May we and those following us keep up the fight so nobly carried by our fathers, and at last when all are gathered before the great white throne may it be found that our Nation proved to be imperishable, and may our flag still wave, kept and redeemed by the only blood which has the power to save.

#### HOOR OF MEETING TO-MORROW.

Mr. GARRETT of Tennessee. Mr. Speaker, the gentleman from Alabama, just before leaving a few minutes ago, said to me that in view of the requests for time for debate on this matter it would be very agreeable to him, if agreeable to the majority, to meet at 11 o'clock to-morrow. Does the gentleman from Massachusetts object?

Mr. GREENE of Massachusetts. I told people we would not meet until 12, but I have no objection.

Mr. GARRETT of Tennessee. Will the gentleman make that request?

Mr. GREENE of Massachusetts. Mr. Speaker, I ask unanimous consent that when the House adjourns it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that when the House adjourns it adjourn to meet to-morrow at 11 o'clock. Is there objection? [After a pause.] The Chair hears none.

#### ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 12859. An act to provide for certain expenses incident to the third session of the Sixty-seventh Congress.

#### EXTENSION OF REMARKS.

Mr. O'CONNOR. Mr. Speaker, I desire to ask the privilege of including in the revision of my remarks the address referred to in said remarks and have it printed in 8-point type—that is, the address from the United States Chamber of Commerce.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

#### ADJOURNMENT.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p. m.), the House adjourned until to-morrow, Saturday, November 25, 1922, at 11 o'clock a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

708. A letter from the Acting Secretary of the Navy, transmitting a list of disbursing officers of the Navy who have been relieved of losses to and including November 15, 1922, under the provisions of the naval act approved July 11, 1919; to the Committee on Naval Affairs.

709. A letter from the Postmaster General, transmitting a list of claims on account of loss by fire, burglary, etc., acted upon by the Postmaster General from July, 1921, to June 30, 1922; to the Committee on the Post Office and Post Roads.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. MOORES of Indiana: Joint Select Committee on Disposition of Useless Executive Papers. Report No. 1259. A report on the disposition of useless papers in the Navy Department. Ordered to be printed.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bill and executive communication, which were referred as follows:

A bill (H. R. 12978) granting a pension to Mary E. Grayson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A letter from the Acting Postmaster General, transmitting a statement showing the post offices where it was necessary to employ clerical assistance at a higher rate than \$1,200 a year and the amount authorized at each office; Committee on the Post Office and Post Roads discharged, and referred to the Committee on Appropriations.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BLANTON: A bill (H. R. 12997) granting relief to the Metropolitan police and to the officers and members of the fire department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. VOLSTEAD: A bill (H. R. 12998) to create a commission to recommend to Congress amendments necessary in order to simplify the pleading, practice, and procedure in certain Federal courts; to the Committee on the Judiciary.

By Mr. WINGO: A bill (H. R. 12999) to permit public access to national cemeteries on Armistice Day, and for other purposes; to the Committee on Military Affairs.

By Mr. BOIES: A bill (H. R. 13000) granting the consent of Congress to the city of Sioux City, Iowa, and to Union County, in the State of South Dakota, to construct, maintain, and operate a bridge across the Big Sioux River  $2\frac{1}{2}$  miles north of the mouth of said river; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDREW of Massachusetts: A bill (H. R. 13001) to enlarge and extend the post-office building at Haverhill, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. LANGLEY: A bill (H. R. 13002) to increase the pensions of those who have lost limbs or have been totally disabled in the same in the military or naval service of the United States; to the Committee on Invalid Pensions.

By Mr. BEEDY: A bill (H. R. 13003) providing for the erection of a public building at Portland, Me., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. ANTHONY: A bill (H. R. 13004) authorizing the Secretary of War to lease to the Kansas Electric Power Co., its successors and assigns, a certain tract of land in the military reservation at Fort Leavenworth; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 13005) amendatory of and supplemental to an act entitled "An act to incorporate the Texas Pacific Railroad Co., and to aid in the construction of its road, and for other purposes," approved March 3, 1871, and acts supplemental thereto, approved, respectively, May 2, 1872, March 3, 1873, and June 22, 1874; to the Committee on Interstate and Foreign Commerce.

By Mr. ARENTZ: A bill (H. R. 13006) to authorize the acquisition of a site and the erection of a Federal building at Lovelock, Pershing County, Nev.; to the Committee on Public Buildings and Grounds.

By Mr. ROUSE: Joint resolution (H. J. Res. 392) providing for the delivery of mail notwithstanding failure to provide receptacles therefor; to the Committee on the Post Office and Post Roads.

By Mr. RAINEY of Illinois: Joint resolution (H. J. Res. 393) providing for the appointment of a joint committee of Congress to investigate the holding of initiations and ceremonies in the United States Capitol and other public buildings by the Ku-Klux Klan; to the Committee on Rules.

By Mr. FAIRCHILD: Joint resolution (H. J. Res. 394) limiting the operation of the immigration act of May 19, 1921, as amended by joint resolution of May 11, 1922; to the Committee on Immigration and Naturalization.

By Mr. ROUSE: Resolution (H. Res. 451) directing the Postmaster General to transmit to the House of Representatives certain information relative to the manufacture of covers of door slots and mail receptacles for use of the United States City Delivery Service; to the Committee on the Post Office and Post Roads.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHINDBLOM: A bill (H. R. 13007) granting a pension to Alonzo G. Hindman; to the Committee on Invalid Pensions.

By Mr. COLE of Ohio: A bill (H. R. 13008) granting a pension to Allie Powell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13009) granting a pension to Rebecca M. Pickel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13010) granting an increase of pension to Lula Reeder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13011) granting an increase of pension to Catherine Boardman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13012) granting an increase of pension to Ralph Waite; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13013) granting an increase of pension to Mary C. Cole; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 13014) granting an increase of pension to Martin G. Lyons; to the Committee on Pensions.

Also, a bill (H. R. 13015) granting a pension to William Schuyler; to the Committee on Pensions.

Also, a bill (H. R. 13016) granting an increase of pension to Catherine Brower; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 13017) granting an increase of pension to Alexander LeClaire; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 13018) granting a pension to George H. Howe; to the Committee on Invalid Pensions.

By Mr. LONGWORTH: A bill (H. R. 13019) granting an increase of pension to Caroline Carruth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13020) granting a pension to Susan Brunaugh; to the Committee on Invalid Pensions.

By Mr. MCKENZIE: A bill (H. R. 13021) granting a pension to Angie Page; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 13022) granting a pension to Elijah Burt; to the Committee on Pensions.

Also, a bill (H. R. 13023) granting a pension to John Bernhard; to the Committee on Pensions.

By Mr. MONDELL: A bill (H. R. 13024) for the relief of August Nelson; to the Committee on the Public Lands.

By Mr. MOORE of Illinois: A bill (H. R. 13025) granting a pension to Anna Danison; to the Committee on Invalid Pensions.

By Mr. ROBSION: A bill (H. R. 13026) granting an increase of pension to William S. Arnold; to the Committee on Pensions.

By Mr. SNELL: A bill (H. R. 13027) granting an increase of pension to Alice Howe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13028) granting an increase of pension to Mrs. Cashmere Russell; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 13029) granting an increase of pension to Dennis Conner; to the Committee on Pensions.

By Mr. VINSON: A bill (H. R. 13030) granting an increase of pension to Thomas M. Benton; to the Committee on Pensions.

By Mr. VOLSTEAD: A bill (H. R. 13031) to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6459. By Mr. COLE of Ohio: Petitions of the various churches of Upper Sandusky, Ohio; the Methodist Protestant, Methodist Episcopal, and Presbyterian Churches of Forest, Ohio; and the Methodist Episcopal and Methodist Protestant Churches of Arlington, Ohio, indorsing H. R. 9753, providing for Sunday observance; to the Committee on the District of Columbia.

6460. By Mr. KAHN: Petition of 4,716 citizens favoring an amendment to the so-called Volstead prohibition law, allowing the manufacture and sale of light wines and beer; to the Committee on the Judiciary.

6461. By Mr. KELLY of Pennsylvania: Petition of the Sons and Daughters of Liberty, members of Turtle Creek Valley Council, No. 191, and citizens of Pennsylvania, asking for the passage of the Towner-Sterling bill, for the creation of a department of education; to the Committee on Education.

6462. Also, petition of the legislative committee of the American Legion, urging passage of the adjusted compensation measure; to the Committee on Ways and Means.

6463. By Mr. KISSEL: Petition of Francis M. Savage, Northwest Savings Bank, Washington, D. C., regarding the Riggs National Bank opening a branch bank at Eighteenth Street near Columbia Road, District of Columbia; to the Committee on the District of Columbia.

#### HOUSE OF REPRESENTATIVES.

SATURDAY, November 25, 1922.

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In this moment of silence, our Heavenly Father, speak to us, Thou alone art able to whisper to the human heart. Do Thou vitalize all good purposes, all noble vows, and all desires after the best things of life. May we never forget Thy benefits and may our memories be quick to retain all Thy gracious mercies. O God, be with our country. In all our material greatness may there be at its roots the fear of God and the love of virtue. Enable us as a people to grow in moral energy, expand in intellectual happiness, and contribute to the spiritual hope and salvation of mankind. In the name of Jesus, our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817.

The SPEAKER. The gentleman from Massachusetts moves that the House resolve itself into Committee of the Whole



House on the state of the Union for the further consideration of the bill H. R. 12817. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Connecticut [Mr. TILSON] will resume the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

Mr. GREENE of Massachusetts. Will the gentleman from Alabama [Mr. BANKHEAD] please use some time?

Mr. BANKHEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on the subject of taxation.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD on the subject of taxation. Is there objection?

There was no objection.

Mr. FREAR. Mr. Chairman, I desire to present to the House later on the correspondence with Secretary of the Treasury Mellon in regard to the enforcement of section 220 of the revenue law, 1921, and suggested legislation to meet the situation. I will place it in the RECORD next week, and I think it may be of sufficient interest to mention it at this time. I trust that the Members will give it some attention when it is placed in the RECORD. It will submit proposed tax measures and other bills disclosed by the correspondence to be necessary in my judgment.

Mr. Chairman, in the few moments given to me I can only touch on one phase of this ship subsidy bill. It has been well covered in other particulars by competent speakers.

Mr. Chairman, I am in favor of maintaining American shipping and likewise good American standards of living for those who pay the bills. What will this bill do? In a direct and indirect subsidy it may cost the Government \$75,000,000 or more every year. That statement is made by those who claim to know the effect of its provisions. The present wasteful yearly cost of Government shipping controlled by Lasker is about one-half that amount. I want to get away from Lasker's control, but, to my mind, several serious objections are presented by this bill.

After finding that the bill takes from the Treasury \$125,000,000 for a fund to build more ships, we learn: First, we have 1,400 ships belonging to the Government which cost us \$3,000,000,000, according to the President's statement. Now, they are worth only \$200,000,000, or 7 per cent of their cost, according to Mr. EDMONDS, of the committee. It takes 20 or 30 years to dispose of these ships under the Lasker administration; no one knows. It is a bad situation from any viewpoint, but from the frying pan into the fire may become infinitely worse. The hearings show that Standard Oil and Steel have the greatest fleet of ships now afloat. They will reap the largest benefits from the bill, I understand. Those two companies are now dividing about \$1,500,000,000 in stock-dividend melons between them, made up of extra profits that have been extorted from the American public, and Standard Oil has exacted about 77½ per cent net profits from the people annually during the past 10 years, which includes profits on its great fleet of ships. This bill, I will show, is a thanksgiving turkey for Standard Oil.

I quote from page 42 of the hearings:

Mr. MERRILL. There are 1,600,000 gross tons of cargo ships, about the same amount of privately owned tankers, and about a half million gross tons of passenger ships registered for foreign trade under the American flag, privately owned, but the greater portion of that tonnage is employed with the near-by or contiguous countries, such as the West Indian or Mexican oil trade and the Caribbean countries.

Mr. HARDY. About a million and a half of tankers, did you say?

Mr. MERRILL. Yes.

Mr. BANKHEAD. Who are the principal owners of that tonnage at the present time? What American companies are the chief owners and operators of that tonnage which you have just described?

OUR GUARDIAN ANGELS.

Mr. MERRILL. I think the largest single private American owner would be the Standard Oil Co. The United Fruit Co. is a large owner. The United American Line combination have a large tonnage; the Luckenbach Line; the Gulf, Tidewater & Sinclair Oil Co.; the American flagships of the International Mercantile Marine; the W. E. Grace Co.; the Steel Products Co.

Mr. BANKHEAD. Who are the Steel Products Co.?

Mr. MERRILL. That is the export end of the United States Steel Co. Mr. BANKHEAD. Those are the principal owners. As a matter of fact, there are only a very few individual owners?

Mr. LASKER. Yes, sir. That is what I meant.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. EDMONDS. Please just make that the United States Fruit Co., so as not to confuse it with the United Co., of New York.

Mr. FREAR. I am glad to do so. The Gulf & Sinclair Oil Co. is now consolidated with the Standard Oil of Indiana, I understand. This is known as the Mellon Oil Co. I propose to show in the Mellon correspondence that Mr. Mellon started the stock dividends melon cuttings with the Gulf Oil Co. for the Standard Oil and other companies, which later followed suit with over a billion and a half dollars in the aggregate.

I sat here the other day feeling great sympathy for our distinguished friend from Pennsylvania [Mr. EDMONDS], whom I admire very much, while his eyes filled with tears as he told about the sad sensation that came over him when the *Magnolia* or *Mongolia* left the shores of the Orient for home. I believe he was standing there at the time on the dock thinking of home. He wept copiously, and I do not blame him. Understanding him as I do, it is fair to say my eyes also filled with tears as I stood on the dock at Shanghai two years ago, but for a different reason. I stood there on the wharf—that is the Standard Oil wharf, the only real wharf of any kind there is at the anchorage below Shanghai. I stood there while they loaded up with 3,000 barrels of crude oil for our vessel, the *Great Northern*. I said to the captain, "What are you paying for your oil?" He answered, "\$7 per barrel." Seven dollars a barrel on oil placed in Shanghai at about 50 cents by Standard Oil. Fourteen hundred per cent profit, practically, charged Uncle Sam by Standard Oil. That is the particular concern that is especially favored by this bill, and as I stood on the dock and noted the extortion my eyes filled with tears from indignation. [Applause.] That was in August, 1920, and the record of Government purchases will show whether or not my statement is correct, or rather whether the information the captain gave me was correct. It was \$7 a barrel for crude oil in Shanghai, or \$21,000 for fuel paid to this great monopoly that now comes to us hat in hand through this subsidy bill.

This great Standard Oil Co. will get enormous benefits under this bill. Let me tell you what it will get. Standard Oil and Steel are to buy more ships under this bill at 4 per cent interest rates—page 2—or less than the Government pays for the money it borrows to loan these great companies. The farmers of the country generally pay from 7 per cent to 10 per cent interest on their loans, and the farmers of my State are selling potatoes at 23 cents and wheat around \$1 per bushel, while the average net income of 10,000,000 farmers last year was far below \$500.

Standard Oil under this bill can borrow from the Government at 2 per cent for 15 years—page 7—while the Government pays more than double that rate for the same money and the farmer often pays four times that rate.

Under this bill Standard Oil gets many millions annually for its ships that carry its own oil, that is thereafter sold at 77½ per cent net profit. Our farmers are paying higher freight rates than ever before and selling their produce often below cost.

Standard Oil gets a tax rebate for 1921—page 9—and tax deductions for nine years. How much? Nobody knows from the record. Farmers get no tax rebates.

Again, Standard Oil gets a tax rebate for 1921—page 12—and tax deductions for nine years. How much? Nobody knows. Labor gets no tax rebates.

Again, Standard Oil gets a tax rebate for 1921 on page 17. How much? Echo answer, "Much."

Again, Standard Oil gets a tax deduction from 1914 to 1921—page 18—for decreased value of about 200 ships. During this same time of war it made its greatest profits of sometimes over 100 per cent annually, and we are to give back millions of war taxes to such monopolies. How much are we giving to farmers and labor?

Mr. EDMONDS. Mr. Chairman, will the gentleman yield for a brief question?

Mr. FREAR. Yes; certainly.

Mr. EDMONDS. I just wanted to state that we are merely perfecting the Jones Act, which was passed by the House and by the Senate. All of those things you are talking about have already been passed upon by the House and the Senate.

Mr. FREAR. I say this, that if the gentleman had at heart the interests of the country, and not alone the interests of



these oil and shipping people who are interested here; if he had at heart the interest of the people who vote in the elections, who pay the bills, he would strike these things out of the bill, no matter where they originated. No man in this House can explain what those tax features mean. It took an expert to draw them.

But think about this proposition: The Standard Oil, with its enormous war profits, again comes up and takes this additional tax rebate, and it does that while it is getting 77 per cent net profit on its annual past earnings for 10 years.

Mr. EDMONDS. We only do that in order to carry out the express will of the House and the Senate.

Mr. FREAR. If he has expressed the will of the House and the Senate through that 2 per cent 15-year interest rate to these great monopolies, then the gentleman from Pennsylvania indeed was not wise. Let me say before I go further that I believe that Pennsylvania, the old Keystone State, would have failed to return my good friend, of whom I think so much, if this proposal had occurred before election—because we lost New York, we lost Maryland, we lost New Jersey, we lost so many States of the country, just due to bills of this character, and this is worse than anything I have ever seen in all my experience here as a Member. [Applause.]

Mr. EDMONDS. I do not believe the question of that tax entered into the campaign at all.

Mr. FREAR. No; but the whole bill did. I concede that; and I say if it had it could be shot so full of holes by any man who undertakes to do so that it would look like a sieve, and I do not pretend to be an expert in the business.

Under the bill war profits and excess profits are rebated, page 19—

Mr. EDMONDS. Let me ask you one question: Did you vote for the merchant marine act of 1919?

Mr. FREAR. I presume I did; I do not know; and that is just the serious joke on Members. You put through things like that. Among the many bills we have to trust you, because we can not have any idea what they are. We accept your judgment until we learn it is not safe to do so, and this thing we know about. You were afraid to bring this bill up before election. Days and days we dallied here in the House and you never brought it up. Now you are trying to jam it through, when you know that three months hereafter it would not stand the ghost of a chance of passage.

Mr. EDMONDS. I was not afraid to bring it up before the election.

Mr. FREAR. I do not know that the gentleman from Pennsylvania was. I am speaking of those who were responsible for it, and I do not think the gentleman himself is largely responsible for it. I assume it is Mr. Lasker and the gentlemen whom Mr. Lasker represents.

Mr. J. M. NELSON. I think the gentleman from Pennsylvania [Mr. EDMONDS] would never have stood for this if he had known or understood what they stood for.

Mr. FREAR. I think he would not, because I admire him very much.

Mr. EDMONDS. All this money is to be used for new ship construction; the gentleman realizes that.

Mr. FREAR. I realize that you are putting these hundreds of millions of dollars into the pockets of a few favored monopolies, and that you could not go before the country for a moment with your proposition, and you dare not let it go for three months until the new Congress meets. You know it and so do I, and I do not believe it will stand the ghost of a chance of getting through the Senate; but I do not want my good friends here, on the Republican side, whom I have tried to persuade to stay in the straight and narrow path in the past—I do not want them to fall down at this time, because I want them, all of them, to be here two years from now.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FREAR. May I have five minutes more?

Mr. BANKHEAD. I will give the gentleman 10 minutes more if he desires.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. FREAR. Thank you. I will not use it all.

Under the bill war profits and excess profits are rebated, page 19, so that the bill reeks with favoritism, for Standard Oil and Steel were among the great war profiteers.

Who prepared these tax refunds and how many additional millions will be lost to the Treasury? Nobody knows within \$100,000,000 during the next five years. Who will pay the bill? The patient public always does.

What applies to Standard Oil and United States Steel ships will apply to other vessels that receive subsidies under the bill. No one knows the amount that will be involved because deduc-

tions are based on individual cases. Lasker is only a publicity man who buys newspaper space with Government money and floods Congress with propaganda for his bill. He does not know how much this bill will cost the Government annually. Nobody knows. Nobody can know.

Every newspaper this morning comes out with editorial notices or with news notices telling us we ought to vote for this bill. I should like to say what are behind these interests. Most men know. Why do these newspapers demand this? Why do these newspapers demand the passage of a sales tax upon the people? They do not represent the people. My friends, they are not in touch at all with the people outside of Washington and possibly New York. I mean New York City. I do not mean New York State. And they have little influence in New York City, because New York City went 400,000 against them, with practically every newspaper favoring their candidate. The press has little influence when it is not fair, and Lasker's propaganda will not deceive many Members.

President Harding vetoed the soldiers' bonus bill because it did not have a sales tax, and we now face a \$670,000,000 Treasury deficit due to the repeal of the excess-profits tax. This subsidy bill will take many millions more from the Treasury in tax refunds that are already estimated to reach upward of \$500,000,000. How much will be lost the Treasury under this bill again nobody knows. President Harding asked indefinite postponement of the soldiers' bonus bill. If we could wait over four years before considering this ship subsidy bill and a vetoed soldiers' bonus bill, why not wait three months longer and take up both propositions intelligently with the new Congress at a special session? Why this haste?

I recommend that question to the committee that has presented this bill. Why was the bill not brought up before election? It is an indictment of the whole proposition to try to jam it through this expiring Congress when a certainty exists it would be overwhelmingly defeated if presented four months hence to the new Congress coming fresh from the people.

I do not believe anyone knows within \$25,000,000 annually what this bill will cost the country in tax rebates alone, and I am not criticizing the members of the committee, but why is Mr. Lasker and his publicity board now forcing the bill upon the administration and on Congress? No legislative body should continue an appropriation for 10 years. That objection to the bill alone is vital to any action now and discredits a measure that was only saved by a special rule against the point of order. I leave that to any ordinarily fair-minded man. That objection in itself alone is vital to any action now, and discredits a measure that was only saved by a special rule against the point of order.

Mr. Chairman, I believe the President has been imposed upon—

Mr. EDMONDS. Will the gentleman yield again, please?

Mr. FREAR. Briefly; yes.

Mr. EDMONDS. The gentleman has referred to tax refunds that he says are already estimated to reach upward of \$500,000,000. The gentleman means, of course, covering a period of 10 years?

Mr. FREAR. I am not referring now to the shipping bill at all. That refers to the tax refunds that we are making from the Treasury on taxes heretofore paid, refunds under the secret methods in vogue there, and it is estimated that they will reach \$500,000,000 in the aggregate.

Mr. EDMONDS. Who estimates that they will reach \$500,000,000?

Mr. FREAR. The New York Commercial, the New York Times, and I will put all that in the Record in my Mellon correspondence. This \$500,000,000 tax-refund loss is in addition to the fact that the Treasury is \$670,000,000 in the hole now, according to Secretary Mellon, due to the repeal of the excess-profits tax.

Mr. EDMONDS. Does the gentleman mean \$500,000,000 a year?

Mr. FREAR. No; in all the tax refunds that they are proposing against the money collected. I am not referring to the shipping bill when I speak of \$500,000,000 in tax refunds. I can not explain to the gentleman any further. The refunds proposed in this bill are in addition to the \$500,000,000 in tax refunds now being made.

Mr. EDMONDS. The gentleman ought to be fair about it.

Mr. FREAR. I am certainly trying to make my statement fair.

Mr. Chairman, I believe the President has been imposed upon. I believe the President has been badly advised regarding this bill and its effect on American shipping. I do not believe this ship subsidy will recommend itself to 1 per cent of the farmers and laborers of the country, who eventually are said to pay the



bills. It fattens profits for Standard Oil, United States Steel, and other monopolies, and little benefit will trickle down to the country.

From my own viewpoint, much as I hesitate to differ from its supporters, gentlemen on this Republican side whom I admire—and you are all friends of mine—I believe the bill is indefensible and ought to be defeated. [Applause.] I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back five minutes.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from Indiana [Mr. Wood] 20 minutes.

Mr. WOOD of Indiana. Mr. Chairman and gentlemen of the committee, I wish to preface my remarks by saying that I am glad this very serious debate is tinged with some humor. It is humorous indeed to see the gentlemen on my right applaud the gentleman from Wisconsin [Mr. FREAR], who has just addressed us, when you well remember that whenever he appears speaking to this same committee with reference to appropriations for rivers and harbors you hiss him. So it is not entirely without humor. Now, to the matter in hand.

Mr. FREAR. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. FREAR. I want to say that the old-fashioned pork barrel has gone out of existence and we have substituted the Budget bill.

Mr. WOOD of Indiana. To the mind of the gentleman from Wisconsin it will be back in the next Congress, and his vituperation will be renewed with all its vehemence.

Mr. FREAR. And I hope to have the gentleman from Indiana with me.

Mr. WOOD of Indiana. Against any needless waste, but not against necessary public improvements.

Although there can be no questioning the fact that the shipping industry of the world to-day is in a most unfavorable situation, the usual statement that this is due to world-wide depression is not strictly correct. Foreign trade figures expressed in values show a tremendous falling off in that trade; but careful compilations of the movements by volume of quantity show that, for the United States at least, much more cargo is being moved in the foreign trade than before the war and only a relatively small amount less than during the boom years of 1919 and 1920. The cause for the depression does not lie wholly with lack of cargoes, but must be sought elsewhere.

The United States increased its merchant marine, counting both privately and nationally owned, from a total of 1,066,288 gross tons registered for the foreign trade in 1914, to 11,077,898 tons similarly registered for the year 1921. This was an increase of our own foreign-going merchant marine of 1,000 per cent. The average annual increase in gross tonnage of the world's merchant marine immediately prior to 1914 was about 2,800,000 gross tons per year. In the United States, from 1918 to 1921, our total merchant marine increased from 9,924,518 tons to 18,282,136 tons, an increase in three years of 8,357,618 tons, or an average increase of 2,785,873 tons. In other words, the United States merchant marine alone increased for three years at the rate which the world's shipping increased, before the war.

Of course, during the war there was a heavy demand for shipping, and at the same time there was much tonnage withdrawn from commercial operation by military requisition or by internment. After the armistice and after the repatriation of the allied troops the requisitioned and the interned tonnage was released and thrown upon the market. This amount of tonnage, taken on a collapsing speculative market, completely glutted all demands for shipping.

While it is true that there is both a shortage of cargo and a surplus of shipping facilities, if factors so interrelated can be considered separately, it is equally safe to state that the real cause for the present shipping depression lies in the surplus of tonnage with relation to the 1914 figure rather than to any decrease of cargo from that figure.

Such a condition is not new, although it is one which has not particularly interested this country before. British owners have more than once, in depressed times, considered mutual lay-up of tonnage by agreement, with a view of stabilizing the market for the balance of their ships. It was the tremendous production of American yards as a war emergency that conspicuously overtonnaged the world from a peace standpoint, and to-day the greater part of surplus shipping of the world is laid up under the American flag. The future can not be forecast without considering the disposition of this surplus.

The American tonnage in foreign trade is largely the Government tonnage. The Government can not dispose of its holdings, now being operated at heavy loss, until private enterprise

has established adequate services to an extent equivalent to the Government services. On the other hand, private owners can not establish such services alongside Government lines and in competition with them, for competition is so keen to-day that only the cheapest-run ships can live, and American vessels are almost the most expensive to operate.

In addition to its purpose of bringing into being new ships of special types, one of the greatest advantages of the subsidy bill at present under consideration by Congress lies in the fact that it should remove sufficient of the handicap under which the American owner suffers to permit him to buy out the active Shipping Board tonnage. This would be a step in advance of immeasurable worth.

But overshadowing any purchase of Government tonnage there is one fear which has not so far been removed. This shadow is what Chairman Lasker, of the Shipping Board, has called "the menace of surplus." It is doubtful if, under the happiest conditions, the American flag will need the Shipping Board tonnage in its entirety, and ways and means must be found to dispose of such of the good tonnage as remains so that American interests will not be hurt. Under no circumstances must the surplus that America can not absorb be disposed of so as to bankrupt those who buy from the Government at current prices.

Automatically the poor tonnage must be done away with. For if we permit a potential surplus to remain—with the possibility of its use in only abnormally prosperous times, when any tonnage can be profitably operated—the burden of loss will fall on the good tonnage in times of adversity without full enjoyment of profit in time of prosperity, and thus we depress the price of all of our tonnage, and so it will come to pass that we shall liquidate the whole for less than we could liquidate the good part.

It is the unneeded surplus, in ships as in all else, that determines the market, and the same circumstances that forced some farmers to burn their corn last winter demands that, at least in so far as the uneconomical 3,000,000 tons of freighters go, we recognize that one of our problems is to force its disappearance from the market. If we are to induce private investment in American ships, it must be under an assurance as to what will be done with the surplus tonnage, plus an assurance that the Government will retire from operation, for private owners can not live and can not finance themselves with those two swords of Damocles hanging over their heads.

If the carefully considered measure of Government aid now before Congress be passed substantially unchanged, and if the threat of the unsold ships be guarded against in an effectual manner, I believe that much of the cause of the present over-tonnaging will be removed, and that the health of the world's shipping industry, particularly with regard to the nascent American merchant marine, will show immediate and remarkable improvement.

The situation to-day is radically different from that on any previous occasion when aid to our merchant marine has been considered by Congress. Three recent developments create this difference.

First. Our national prosperity depends upon our having a merchant marine. No nation, not even ours, though it is dowered with the greatest natural wealth of all, is to-day self-sufficient. Modern civilization is so complex that every country is dependent upon others for vitally necessary materials. As industry develops this interdependency becomes greater.

Not only is our interdependence naturally increasing, but our national trade balance has been reversed by the war. No longer do we seek abroad to finance American development. No longer do our foreign creditors welcome the products of our farms, mines, and factories in payment of the interest on the debts we owe them.

To-day those same nations owe us billions of dollars. They can only pay their debts by production. They are competing with us for the same markets. If we can not deliver our own goods, we need not expect our competitors to aid us in so doing.

Second. Our national defense demands a merchant marine. By international agreement the war-time powers are limiting their fighting fleets. Our allowed strength will be only a paper ratio without a strong and diversified merchant fleet.

We have never been able to supply enough auxiliaries to coal and supply our Navy or to transport an army. With lessened numbers of warships the large fast merchant vessels become potential fighting ships themselves. Our lack of these is almost complete.

If merchant ships are not built, our shipyards, denied naval work, will decay. Thousands of skilled artificers will seek other employment. The art of shipbuilding will become a



well-nigh lost one, and with it will go the power to increase, should war clouds bank, a deficient fleet or quickly to repair a damaged one.

Third. The question of a merchant marine is no longer academic. Hastily built, unbalanced, and partly unsuitable as it is, we have to-day a merchant marine. Our problem is, What shall we do with it?

The Government is maintaining this fleet until the effective tonnage can be sold and the ineffective vessels disposed of. Meanwhile it is operating on essential trade routes about one-third of its ships. The maintenance and operation of this fleet costs \$50,000,000 a year in operating loss alone.

Our fleet is deteriorating, our losses are great, and we are providing nothing for the future. The private shipowner can not afford to purchase from us under present conditions, yet continued governmental operation will drive him, our potential customer, off the seas.

We can not sell the ships we have nor induce the construction in our yards of the vital types we sorely need because of the American standard of living. Labor in America is better paid than in any other maritime nation. Our shipowners must bear the higher costs of ships built by American labor and of crews obtained in American ports, and with this burden struggle for the trade of the world against ships built and manned by cheaper labor.

We must insure the continuance of our shipbuilding industry, and we must have a force of Americans trained to the sea for national defense, if for no other reason. But obviously we can not expect the shipowner to bear alone the higher cost of these necessities, especially when it is remembered that America will be a newcomer in the field.

Other nations are entrenched in the trade, established, organized, with years of experience, reputation, and good will to carry them. We must begin at the beginning and, overcoming the inertia of trade, divert it to ourselves. This, under depressed shipping conditions and while carrying the highest labor costs, is beyond the power of any shipowner unaided.

Because an efficient merchant marine is essential, because we can not lose what progress we have made, because shipping is the one key industry unprotected and impossible of protection, we must grant it aid. It is not a question of subsidy or no subsidy; it is a question of achieving the greatest result with the least outlay. The method only is open to discussion, for we are to-day subsidizing our State-owned ships far more than would maintain them against foreign competition were they in private hands.

If it be accepted that America must have a merchant marine, built and manned by workmen under the American standard of living, then America must help bear the cost. Sixty years of history have shown that we can not compete unless the difference between American and foreign standards be compensated for.

Accordingly it is proposed that a system of direct aid in part compensation of this difference be extended. All possible indirect aids are to be provided, and the money compensation becomes applicable only if the indirect aids do not suffice. The result will be to develop and strengthen our foreign commerce, give us effective naval auxiliaries, and permit the sale at reasonable prices of the Government's war-time shipping.

Previous measures in aid of shipping have failed in instances because of changing conditions. Others, for the same reasons, have given too much. Legislation can not be all-foreseeing. We must grant sufficient aid—for inadequate aid is utter loss and is worse than none at all—but we can not allow any semblance of profiteering.

We Americans pride ourselves sometimes on being a good business people. And yet a view of the statistics on the shipment of commodities overseas during 100 years will prove conclusively that we have not been as wise as we might have been. Millions of dollars that should have remained at home have gone abroad. I am not taking a narrow view of international relations. We want nothing that the peoples of other countries are entitled to, but I maintain that it is our duty to see that we get our fair share, the share that in justice belongs to us.

Figures compiled by the Department of Commerce show that the value of commodities exported by sea from the United States for 100 years, beginning with 1821, was \$86,629,076,814, while the imports for the same period amounted to \$62,174,102,566, making the total commerce in foreign trade by sea \$148,803,179,380. Of this total, vessels under the American flag carried only \$35,631,382,909, or about 24 per cent, leaving 76 per cent carried by alien bottoms. As the British merchant marine represents about 50 per cent of the foreign tonnage engaged in this trade, it therefore is evident that their par-

ticipation in our commerce would amount to about 38 per cent of the total amount, or \$56,545,208,164.

It is safe to say that of this sum 25 per cent was paid out for freight, insurance, banking, and other charges which went into the hands of foreigners. Thus the American vessels during that 100 years earned \$8,907,845,754 for American interests; the sum of \$28,292,949,118 went to foreign interests. This is in sharp contrast to what happened between 1821 and 1862, when we had a real merchant marine. During that period an average of 80 per cent of our total commerce was carried in American bottoms. Between the Civil War and the World War we carried but 19 per cent of our commerce, and the outflow of American dollars was steadily increased. As a result of World War conditions, shipping increased from 1914 to 1920. Our tonnage grew. Rates were high. During this period the total commerce by sea was \$47,626,671,810; of this amount American-flag vessels carried \$12,129,630,431, or about 26 per cent of the total. On the other hand, the foreign-flag vessels carried \$35,497,041,379, or about 74 per cent. Of the foreign countries Great Britain carried the lion's share, namely, \$19,811,387,720, or about 42 per cent of the total commerce. Applying the factor of 25 per cent for transportation and other charges, we find we have enriched British shipping interests in only seven years with \$4,952,846,930, and other foreign countries to the extent of \$3,921,413,415, a total outgo of \$8,874,260,345, while on the same basis our American tonnage retained in the country \$3,032,407,608, or approximately but 24 per cent of the total revenue accrued from the carriage of our commerce during a period that was memorable for high freight rates and an enormous demand for our products.

Now, let us consider again the hundred-year period from 1821. I have shown that in that time we allowed foreign interests to take from us \$28,292,949,118 which should have been spent in America. What does that sum represent?

From the foundation of the Government until now our total expenditures for the improvement of rivers and harbors and canals, exclusive of the Panama Canal, were only \$1,036,079,202.35. The Panama Canal, including its fortifications, cost \$479,851,938.98, bringing the total for all waterways up to \$1,515,931,141.33, or about one twenty-fifth of the amount we gave foreigners in 100 years.

So much for the past. Let us consider the present. During the past year the Shipping Board has been giving as good an example of Government ownership and operation as can be expected. And yet its operation of ships is costing the Government around \$50,000,000 a year. And this fifty millions goes for the operation of one-fourth the ships that should be in service under the American flag if a real merchant marine were afloat. At this rate, supposing further reductions in the cost of operation might be made, to operate an adequate Government-owned merchant marine would cost at least \$150,000,000 a year.

Subsidy? Mr. Chairman, we have a subsidy, an uneconomical subsidy, a wasteful subsidy, running full blast. Congress forbade the Shipping Board to build new ships, therefore what tonnage we have is deteriorating daily. Of the 1,500 ships we own, 1,100 are tied up, 400 are being operated, and as they wear out we will have no good ships to replace them. But our competitors will. As well tell a factory owner to confine himself to old machinery while his rivals are using the most modern equipment the market affords.

As long as we continue Government operation we will make it practically impossible for private operators to exist. The calculated cost of operating the Government fleet does not take into consideration the original cost of the ships. It is simply the difference that lies between the man who has a farm given to him and one who has to buy a farm of the same size. The former has no mortgage to pay off, no interest on that mortgage to meet. The latter starts with too big a handicap. Therefore the longer the Government operates its ships the more harm it is doing to the real development of an American merchant marine.

Furthermore, the longer the Government operates ships the deeper it is digging into the Treasury, the heavier the burdens it is laying upon the taxpayers of the country. Even by efficient operation tens of millions of dollars will be lost annually.

President Harding has made it plain that it costs \$50,000,000 a year to operate Government ships, as against \$30,000,000 for a subsidy to private operation. But, as I pointed out, that \$50,000,000 is being paid out for only one-fourth of a real merchant marine, while the \$30,000,000 for subsidy to private owners will go for a full-fledged, well rounded out merchant marine in keeping with the needs of the country. It will go to encourage building of ships in American yards. It has been estimated that about 75 per cent of the subsidy will go to American



labor. It will reach down into the mines, where the ore is dug; thence to the smelters, where that ore is turned into steel; thence to the metal trades, where the steel parts that go into ships are made; and, finally, so far as building is concerned, to the shipyard workers, who will assemble that metal into ships; and finally to the American seamen, who will man the ships, for the majority of all crews must be Americans.

Just now the Government is offering for sale the land and buildings that go to make up the famous Hog Island shipyard, outside of Philadelphia. That shipyard, built in war emergency, cost the Government \$65,000,000. If the Government had taken care of its merchant marine prior to the war we would have had enough shipyards running, enough skilled shipbuilders employed, to meet the sudden demands of war. But our shipyards and our ships had been neglected—in fact, we had no ships—and so we had to lavish money on shipyard development. The cost of that one yard—\$65,000,000—would pay the proposed subsidy, when running at a maximum, for two years. Another case of mistaken economy on the part of a nation that prides itself on being businesslike.

Now, as to the sale of our ships. Who is going to pay anything for a ship now when he knows he will have to go into competition with the Government, which cares nothing for what its ships cost? Remove the Government as a competitor with private citizens and the private citizens will go into the trade. They will make work for shipyard laborers, but the Government will not. Congress has told the Shipping Board to build no more ships.

Opponents of this bill have said it is designed to enrich the few at the expense of the many. What about freight rates? Remove American ships from the seas and the foreigners will raise the rates. The rates are lower to South America to-day than ever. Why? Because before the American war-built merchant marine went into the South American trade the foreigners had complete sway, the British taking the lead. They charged what they pleased and gave what service they chose.

Do the grain producers of the country remember 20 years back? What happened when the Boer War broke out? British ships that had been carrying American grain were suddenly withdrawn to meet the war needs of their country. American grain was banked up along the railroads that led into the Atlantic ports, and heavy losses were sustained. If we have no ships of our own we are at the mercy of the foreign shipping interests.

An adequate, efficient, and well-rounded merchant marine is an essential to the continued prosperity of the agricultural producers of the country.

Our farmers produce more than the country can consume, and the price realized for the annual output depends upon the extent to which the surplus can be marketed in other countries.

The only foreign States that touch our borders are farming countries. Our farm products, therefore, can only be sold to overseas nations. To reach these markets ocean transport is required, and any inadequacy of our shipping facilities means curtailment of exports and oversupply of the local market.

Since the World War conditions have radically changed. The United States is no longer a debtor nation, and her goods no longer help pay the interest on the debt. Instead Europe owes us billions of dollars, and everything she buys from us increases the adverse balance and further affects her depreciated exchanges. Her effort is now to avoid buying from us and to obtain everything possible from other countries, especially those which are her own colonies or dominions.

The growth of Canada, Australia, and the Argentine as exporters of cereals has been rapid, and as a result the United States no longer holds her premier position as the world's granary; she must compete for her markets, and the competition will be keen, indeed.

Now, it is obvious that our farmers are poorly equipped to meet competition if the empire whose dominions are our chief rivals as grain producers controls our sea transport. Our surplus of cereals can only be marketed at such figure and to such extent as that empire elects. Naturally the interests of the American farmer will only be looked out for after those of the Canadian and the Australian grower.

A great Englishman, referring with proper pride to the place of his nation in history, said:

Time, and the ocean, and some guiding star  
In High Cabal have made us what we are.

No country has a monopoly on time, on ocean, on guiding star. These are all ours to use and enjoy to the fullest degree if we will but take advantage of the present opportunity.

It remains to be seen whether we will embrace this opportunity, and by so doing maintain the place we should maintain as the foremost nation in world affairs, or whether we will

permit this opportunity to be frittered away and in humiliation again see our flag disappear from the ocean. Aside from the economic advantage of a merchant marine, if we are to perform the part we should in the rehabilitation and uplift of this weary old world the best way to do it is to keep the Stars and Stripes floating at the masthead in every port on all the seven seas.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MADDEN] 20 minutes.

Mr. MADDEN. Mr. Chairman and gentlemen, when the World War was declared the United States found itself without ships. We were about to transport to the field of war a large force of soldiers. Nobody knew how many millions we would be called upon to send to the other side. One of the important elements in the success of our arms was ships. Ships were needed not only to transport men but supplies of all kinds. We were in a very embarrassing situation. We had to call upon European nations to transport our troops to France. We authorized the administration to acquire ships either by construction, requisition, or commandeering, or in any other way they found it advisable to acquire them. They began the work. They worked intensively at the problem, and yet we were called upon to send the most of our troops in French and English ships. It was an impossible thing for the administration to provide the ships in time for the immediate urgent need. Nobody expected the administration to be able to do that. They did the best they could under very difficult circumstances. When the war was over we had ships to bring the troops back, and the administration did a first-class job in returning the soldiers from France. I think it may be safely said that no such achievement was ever accomplished in so short a time. We have been trying to operate the ships that the war left us. That was an inheritance of the war. Everybody agreed that we must have the ships. They were built in response to a great national need. Of course they cost a lot more money than you can sell them for, and much more than you could build them for now. But everything cost more then than it cost before or will cost after.

Mr. LITTLE. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. LITTLE. I notice the gentleman speaks of bringing the troops home. Do I understand that we transported no troops until after war was over?

Mr. MADDEN. Oh, no; we did transport some of the troops, but the most of the troops were sent over in foreign ships. We invested \$3,300,000,000 in these ships. They were built for war purposes and war purposes only at the beginning. It was thought by the administration then in power that we ought to establish a merchant marine, and they built many more ships than were needed for the war. They did not cease the shipbuilding program until April, 1921. When the war was closed we had 437 ships as the result of our effort to meet the needs of the war. When the shipbuilding program was completed we had about 2,300 ships, and we find ourselves with over 10,000,000 dead-weight tons of shipping.

Mr. GARNER. Will the gentleman yield?

Mr. MADDEN. Yes.

Mr. GARNER. Do I understand the gentleman to say that after the armistice was signed any additional contracts for building ships were made?

Mr. MADDEN. I did not say that. I said continued building ships.

Mr. GARNER. But the inference would be that they continued to build ships after the armistice as public policy. As I understand, no ship was built except what had already been contracted for.

Mr. MADDEN. I would not like to say about that definitely, for I do not know.

Mr. GARNER. I am asking for information. My impression has been that no new contract was made after the armistice was signed.

Mr. MADDEN. I do not desire to make any misstatement in connection with anything I may say here. I have no desire to bolster up anything for the present administration or run anything down that was done by the previous administration. I am trying to state the facts. But I would like to state that if the existing shipbuilding contracts had been canceled when the armistice was signed we would not now be confronted with the present problem and the Treasury would probably be two billions better off.

Mr. GARNER. If any member of the Committee on the Merchant Marine knows about it, I think it would be interesting. I do not know.

Mr. MADDEN. I think there were, but I would not be certain about it.



Mr. HARDY of Texas. If the gentleman will allow me, I think there were no new contracts made after the armistice, except it was for some minor ships to round out and carry out the program. It was of a negligible amount.

Mr. MADDEN. So, you see, the gentleman from Texas [Mr. HARDY] admits there was a program. What could the program be if not to establish a merchant marine? The war was over, and unless a merchant marine was contemplated wisdom would have dictated the cancellation of the contracts. But they were not canceled, and now we have the solution of the problem before us.

Mr. HARDY of Texas. It is scarcely worth considering, whatever it was.

Mr. GARNER. But no public policy was adopted toward increasing the merchant marine—that is, a Government-owned or a Government-built merchant marine—other than what was arranged for, for war purposes.

Mr. MADDEN. I do not know about that.

Mr. LITTLE. Am I correct in the understanding that they built about 1,900 more ships after the war closed?

Mr. GARNER. Yes; on contracts made before the armistice.

Mr. MADDEN. However that may be, we find ourselves in the possession of about 10,000,000 dead-weight tons of ships as the result of those contracts.

Mr. J. M. NELSON. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. J. M. NELSON. How much has the Committee on Appropriations been called upon for to complete the ships since the armistice?

Mr. MADDEN. Between four hundred and fifty and five hundred millions, and no one knows how many hundred millions previously appropriated was unexpended when the armistice was signed. We find that in the attempt to operate these ships since the war very great losses have been incurred, something about \$200,000,000 a year, up to a year ago or a little more. We find that if you add the losses which were incurred in the operation of the ships to the cost of ship construction that we have about \$3,900,000,000 invested in the enterprise. Under the present Shipping Board management we have been able to reduce the losses to about \$48,000,000 a year. Thirty-six million dollars of those \$48,000,000 of loss is not due to ship operation; it is due to the cost of maintaining the ships that are tied at the docks or tied together in the streams—the ships that are idle; and about \$12,000,000 a year is lost because of the operation of the ships that are in service.

Mr. J. M. NELSON. Will the gentleman please explain how there can be that expense to take care of idle ships tied up?

Mr. MADDEN. You can not take care of idle ships without putting men on board of them, and you can not take care of them without hiring docks in many cases against which you can tie the ships, and then there is the expense, whatever is necessary, that must be incurred in order to prevent the ships from deterioration and from sinking at the places where they are tied. That involves the expenditure of a large amount of money.

Mr. Chairman, as I say, we have reduced the losses to about \$48,000,000 a year. It is said by those who presume to know that the total cost of a so-called subsidy under this act, if it becomes an act, will never exceed \$50,000,000 a year. It must be manifest to everybody that if we are losing \$48,000,000 a year to-day, that we are paying it, and how are we paying it? We are paying it out of the Treasury of the United States, of course; so that in effect we are paying a subsidy to-day. It must be manifest also to everyone that if we continue as a Government agency to operate the ships we will continue to operate them at a loss. More than that, at the end of a period, and I do not know how long the period will be, we will find that we have no ships to operate or to compete in the transportation of commodities with the ships of the world.

Why do I say that? Because we are not going to rebuild ships. We are going to operate the ships we have already built, and if we operate them long enough they will wear out, and if we substitute nothing in their place the American merchant marine will go off the seas. Everyone will agree to that. The question now arises whether we would prefer to have the Government, through the Shipping Board, operate the ships with a certainty at the beginning that the ships will be operated for only a certain period of time until they wear out, and that during all that period of time we will be losing at the rate of forty-eight or fifty million dollars a year, or shall we turn these ships over to private enterprise and have the private enterprise accept the ships at a reasonable price

upon condition that we pay them something in order that they may successfully meet the competition against the ships of the world; and I understand we propose to sell the ships only upon the condition that the men who take them will renew the ships as the present ships wear out. In that way we will continue to have ships flying the American flag, carrying American commerce to every nation in the world.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. EDMONDS. Does the gentleman think his committee would look kindly on a request from the Shipping Board for \$125,000,000 with which to round out the fleet at the present time?

Mr. MADDEN. I do not think we would; and, as far as I am concerned, I am not in favor of granting to the Shipping Board any such power or placing at their disposal any such sum of money for any such purpose.

Mr. HARDY of Texas. The gentleman said that these ships would be sold to private enterprise under obligation that the private enterprise continue to keep the ships in operation.

Mr. MADDEN. If they are not sold upon that condition there would not be any use of selling them.

Mr. HARDY of Texas. Is there anything in the bill that provides for that?

Mr. MADDEN. If there is not, there should be. I would say that personally I have never voted for a subsidy bill, and I am frank to say that I would not vote for one now if I did not believe that we have an obligation to meet which ought to be met courageously. What is that obligation? We are the trustees for \$3,300,000,000 of an investment by the American people. How are we going to manage this trust? Are we going to permit a Government agency to attempt to operate the ships, when everyone knows, on the face of the facts, that they can not do it without loss? Everyone knows that a Government agency can not operate a business as economically as a private agency can. Why is that so? In the first place, it does not matter how patriotic the men may be who are in charge of the Government agencies or how much they may favor system or economy in the conduct of the business with which they are charged, because every time they try to economize anywhere by cutting expenses there will be an avalanche of protests from men in every walk of life, and many times from Members of Congress, against the reduction they propose to make, and if it means that the forces are to be reduced, then everybody everywhere who wants the patronage will demand that the employees be retained. Therefore, after all, no matter how able the Government agency may be, it is always handicapped; no matter how honest those in charge of it may be or how determined they are to economize, they are forced into a system of extravagance by the pressure that is brought to bear upon them.

Are we ready now to say that that is what we want to continue, or are we ready to say that we want to eliminate the possibility of any such practice? There can be no state of doubt in the mind of anyone that we can not conserve this property under a Government agency, but there is every reason to believe that if we turn the property over under proper conditions to private management we will be able to keep our merchant marine flying the American flag, carrying the products of American labor to every port in the world.

I do not say, and I suppose no one can say with definite assurance of the outcome, that any bill we pass will do what is anticipated, but we have an obligation to try. If we can not sell the ships under the provisions of this bill, there will be no subsidy paid. That is as sure as that the sun will shine to-morrow. If we do sell them and they are operated successfully, we have a reasonable assurance that we will have a merchant marine and that the cost of the merchant marine will not exceed the cost which is now being paid out of the Federal Treasury. Are you willing to continue to pay because you can do it without saying "subsidy," or are you willing to say that you will not pay under another system because you will have to say "subsidy"? It is as broad as it is long, so far as the payment goes. You will have to pay in any case, but in the one case you have a reasonable assurance that you are going to get returns, that you are going to get a merchant marine flying the American flag, that you are going to have auxiliary ships to operate in a war-time emergency, whereas if you let the fleet that now exists fade away from the face of the earth and from off the seas you will be again confronted with the problem that confronted us in the early days of the war just closed, and you will have to solve it again.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MADDEN. I will.



Mr. GARRETT of Tennessee. May I ask the gentleman if he looks with favor upon the provision of the bill with respect to permanent appropriations?

Mr. MADDEN. Well, I can say this: I think that ordinarily a permanent appropriation ought not to be made in any event in connection with any activity that engages it, but it must be clear to all—it is clear to me—that unless you make a permanent appropriation you can not enter into a contract under this bill with anybody who may want to buy American ships. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. I yield 10 minutes to the gentleman from Illinois [Mr. MICHAELSON].

Mr. MICHAELSON. Mr. Chairman, as an aftermath to the war which cost the world so much of blood and treasure the United States finds itself in the possession of a fleet of 1,700 or more ships, built and acquired during that war to serve an emergency and paid for with approximately \$3,000,000,000 of the people's money, which it has been repeatedly admitted was expended feverishly, extravagantly, wastefully, and impractically.

The Government, through its Shipping Board, has been engaged for the past three or four years making use of a good many of these ships in the shipping business, thereby competing with old-established, highly successful shipping corporations, with the result that the profits of these corporations have been considerably reduced and the Government has sustained losses and deficits now reported to be at the rate of \$52,000,000 per year.

The wail and the cry of those who complain of and condemn the meddling of Government in business has been heard. Behold! It is now proposed that the Government retire from the shipping business, thereby reducing the people's losses and deficits in this instance by 50 per cent, contract for the sale of the ships to those now engaged in the business or desiring to engage therein at a greatly reduced price, and to pay to these persons or corporations so engaged a bonus to insure them against possible losses or deficits, and further, to exempt from the payment of Federal income tax the money so invested or set aside for such investment and also to provide a loan to shipowners of a revolving fund of \$125,000,000 at 2 per cent interest for 15 years at a time and up to two-thirds of the cost of the ships upon which the loans are to be made.

All this, if enacted into law as proposed in the bill now before us, will, its proponents assure us by extending the fervent hope that it will, provide a market for our idle, unused ships, save millions of dollars to our already overtaxed people, and give to the United States a great merchant marine commensurate with our commercial importance.

Let us stop a moment and view the situation as it really exists. It may be we are not familiar with the facts.

Is it not a fact that the fundamental law of supply and demand governs in the shipping business as in every other trade activity of the human race? Does it not follow then, as a matter of course, that if there are more ships than cargoes some of the ships must be idle?

Is it not a fact that as a result of the war emergency there is now a great surplus of ships and that even with the passage of a ship bonus bill the surplus would still exist and remain idle?

Does anyone believe that any amount of legislation or any particular bit of legislation having for its purpose the granting of a bonus to the owners of ships or exempting them from the payment of income tax will create cargoes of goods where there are none or provide a market for idle ships which must of necessity remain idle?

And is it not a fact that even if a demand for ships was suddenly created a good many of our idle ships could not be brought into service for transocean trade because of the fact that they were built with bunker capacity insufficient to carry the fuel necessary to take them across the ocean?

What evidence has been presented that the demand for ocean trade will at any time in the near future be great enough to supply even a part of our idle ships? Does anyone contend that by any kind of legislation the sum total of the world's shipping can be increased?

The disturbing element in this entire situation is the fact that in our feverish haste during the war emergency a large proportion of the ships were impractically built. Let us not then in our haste to legislate attempt by passing laws to make from bad ships a proud merchant marine or to turn a white elephant into a modern locomotive. In either case the offer of a substantial bonus would but serve to make the effort more ludicrous.

The great item of expense which bears most heavily upon business and cuts deepest into its profits is the overhead. So it is with government. With added legislation creating new activities comes added expense in the form of overhead. The Government produces nothing. It levies taxes and spends. The people pay, suffer, and complain as the cost of government steadily advances due to added governmental activities. When overhead in business reaches the point where it becomes greater than the earnings, thereby closing the door to credit or the ability to borrow, bankruptcy follows. When the overhead burden of taxation laid upon the people assumes the same proportion, government will break down and revolution will follow. The efforts of Congress now in all its legislation should be directed toward reducing the tremendous overhead cost of government, which now runs into the billions and is steadily on the increase.

The question is, Will this bill reduce overhead? Where are the figures that say so and how much?

Nothing more definite than a hope that it will has been suggested. On the contrary, if this bill is passed the already irresponsible, extravagant Shipping Board will be clothed with greater powers, greater authority, greater permission to spend, waste, and give away than it has had heretofore.

Nowhere in the bill is it even suggested that a single \$35,000 a year lawyer be dispensed with.

In fact, the bill, if passed, will not only fail to reduce expenses to the taxpayers but will increase them, because it commits the Government to a permanent, unknown, undefined expense for at least 15 years and bargains away income for the next 10 years which would otherwise be paid by the shipping interests into the Public Treasury as income tax, and in addition gives a bonus to shipping corporations estimated to reach the sum total of \$500,000,000 in 10 years.

Is it not a fact that the bill contains no provision for lower freight rates or for anything that would benefit the people at large by reducing the cost of commodities carried on these ships?

If the passage of this bill will bring about the results and produce the conditions so fondly hoped for by its proponents, why has it been found necessary in urging its passage to appeal to sentiment and patriotism?

If, then, after due consideration, it becomes apparent that the passage of this bill will not reduce the expenses of government, and that it will not create a market for our ships, what, then, is the real purpose of the bill?

Does it not appear that the only purpose the bill can serve is to put an end forever to troublesome competition in the shipping business caused by the operation of the Government-owned ships engaged therein and the granting to the ship-owning corporations, representing billions of dollars of invested capital, that which was denied to our soldiers and sailors—a bonus?

There are in the United States to-day at least 76 ship-owning corporations which own and operate 1,952 ocean-going ships of 500 tons and over, no one of which owns less than 6 ships and ranging in number from there to 79 owned by the Standard Oil Co. of New York, many of which companies are capitalized for hundreds of millions of dollars and paying enormous dividends, which by the passage of this bill would be granted a bonus insuring them even larger profits, said bonus to be paid from taxes paid into the Treasury by the people of the United States.

The 14 following-named ship-owning corporations, representing assets of \$5,046,000,000, are among those who will receive help from the Government in the form of a bonus to be paid to them from taxes levied by Congress and collected from the people:

ASSETS.	
Standard Oil Co. of New York.....	\$833,000,000
Associated Oil Co. of New York.....	100,000,000
Atlantic, Gulf and West Indies Steamship Lines.....	103,000,000
Atlantic Refinery Co.....	111,000,000
Gulf Refinery Co.....	272,000,000
Pan American Petroleum & Transportation Co.....	111,000,000
American International Corporation.....	69,000,000
Reading Co.....	333,000,000
Southern Pacific Co.....	395,000,000
Standard Oil Co. of California.....	276,000,000
United States Steel Co.....	2,339,000,000
Texas Co.....	335,000,000
United Fruit Co.....	160,000,000
Vacuum Oil Co.....	109,000,000
Total.....	5,046,000,000

Should this bill pass it may be rightly said that we have millions for the ship-owning corporations but not one cent for the soldiers. [Applause.]



Mr. BANKHEAD. Mr. Chairman, I yield one hour to the ranking member of the minority on the committee, the gentleman from Texas [Mr. HARDY]. [Applause.]

Mr. HARDY of Texas. Mr. Chairman, if I understood the gentleman from Illinois [Mr. MADDEN] right, he is what might be termed a "recent convert" to the idea of subsidy. I thought he said he had never voted for a subsidy heretofore, and the basis of his conversion appears to be that we have a great merchant marine now, owned by the people, in charge of the Shipping Board, which board can not find cargoes enough to fill and operate, and that it was costing \$50,000,000 to pay upkeep and repair, and operating expenses and overhead charges of the Shipping Board. If I remember aright, he thought about \$32,000,000 of this alleged \$50,000,000 of annual expenditure by the Shipping Board arose out of the care and repair of existing ships not now being used from lack of cargo, and his statement was that some \$12,000,000 of losses occurred, as I understood him, from the actual operation of the ships we are operating.

I wonder if we sold those ships to private owners would those private owners be able to furnish cargoes for a greater percentage of the ships than the Shipping Board can get now. In other words, would not the private owner have to carry the same \$32,000,000 losses growing out of care and repair of idle ships, and would they not operate the ships for which cargoes are found at the same loss at which they are now operating them, since our only prospective buyers are the very companies that now operate them for the board? It is a strange thing when a man who has always fought ship subsidies comes before us and says that because we have a great property we must therefore give it away and add a magnificent bounty or bonus to the gift in order to get rid of what we can not use ourselves. That is substantially the gentleman's position. We have the ships. We can not use them; nobody else can use them except at a loss. Why not sink them or burn them?

Mr. YATES. Will the gentleman yield?

Mr. HARDY of Texas. I am going to ask not to be interrupted at this time, because I can not get through in an hour's time with what I have to say. If I have the time later, I will be glad to yield.

Mr. YATES. The gentleman is quoting the gentleman from Illinois [Mr. MADDEN] as making a certain statement.

Mr. HARDY of Texas. I try to quote him correctly, and if not I apologize.

The CHAIRMAN. The gentleman from Texas desires not to be interrupted.

Mr. HARDY of Texas. I wish to refer to the argument of the gentleman on that side of the House [Mr. Wood of Indiana] who preceded the gentleman from Illinois [Mr. MADDEN]. It was a lengthy résumé of facts and figures persuasively put together in favor of this bill of graft, particularly to a certain great industry. You know our line-up is generally largely influenced by our sympathies, and it is a remarkable fact that the gentleman from Indiana [Mr. Wood] has been quoted all over this country and his speech in Congress has been sent all over the country by the Steel Trust, after the Standard Oil the biggest beneficiary, perhaps, under this bill that there is to be found. What is the Steel Trust? Mr. Wood, whose address was mailed by the corporation all over the United States, calls it "a corporation with a soul." Well, maybe it is, but let me give you some of its soul as I showed it here in a speech on the tariff. The Steel Trust is not only one of the most magnificent beneficiaries under the tariff generally, with its hands out to receive money from the people, but they have always, as proponents urge this bill, urged their high tariff on the ground that they wanted to benefit labor—the American workman. What do I find in reference to the Steel Trust? From the report which Mr. Schwab himself made I quoted, on the 22d day of September, a statement giving the number of employees of that vast corporation, the number of dollars of the pay roll, and the total net earnings of the company. From 1902 to 1915, inclusive, this great industry has claimed protection for the benefit of its labor employed during those years an average approximately of 200,000 laborers, and they paid to labor the total sum for those 15 years of \$2,122,001,774 as a total of wages, while the total net earnings of that company amounted to \$1,669,148,034. The net earnings of that great corporation in 15 years nearly equaled the gross amount of wages paid to 200,000 employees.

Mr. J. M. NELSON. Do they still maintain the 12-hour shift for labor?

Mr. HARDY of Texas. These laborers were many of them foreigners who can not speak our tongue, and they work 12 hours. So in 15 years this great corporation with a soul has

taken out in net profits an amount nearly equal to the entire wages paid all their employees, and those employees, many of them, had to live hard in order to live at all on the wages received. It may be a corporation with a soul, but it is the same corporation that in 1908, as testified by Mr. Carnegie, permitted independents to run if they did not get in their way, but which wrung from the masses of the people just such profits as they were enabled to do by virtue of being allowed to fix the price of their products as they saw proper. Let me tell you who this bill is going to favor; the Standard Oil Co., the Steel Trust, the United Fruit Co., and all that kind and class who ship their products in their own vessels and come and use the United States for a hand-out by way of subsidy, and every man on this floor who votes for this bill ought to know and figure how much is given to the United States Steel Trust, the Standard Oil Co., and the United Fruit Co. It has been stated here that the Standard Oil has 1,600,000 tons of tankers. These, I think, are mostly engaged in foreign trade. If they average 10 knots per hour, allowing for two months lost time per year, they would, at the rate of one-half cent per ton per 100 miles, earn \$5,760,000 in subsidy. We may allow for one-fourth of their time in port and the Standard Oil Co. would still earn a \$4,320,000 subsidy annually. The United Fruit Co. has many passenger ships which draw higher subsidy than the slow tankers of the Standard. What its subsidy would be, I do not know; but perhaps the greater part of the subsidy under this bill will go to the fast passenger ships.

I repeat, that every man on this floor who votes for this bill ought to know and figure out how much he is giving the United States Steel Trust, how much he is giving to the Standard Oil, how much to the American Fruit Co. Let me tell you: Give me the right to fix the price of raw material when I buy it and then manufacture it into the finished product, and then give me the right to fix the price of the finished product, and what have I got? I will illustrate it, not by the Steel Trust, but by the Standard Oil, because it is clearer and plainer. The Standard Oil goes into every oil field in the United States. All over Texas it establishes its pipe lines, and immediately after it has established its pipe lines it puts over its window this little sign:

We take your oil at 50, 60, or 70 cents a barrel, as long only as you are willing to deliver it and we are willing to take it.

As a result of that little contract with the oil producers, both the landowner as to his royalty and the man who operates the well, they buy the oil from the producer at 50 cents or \$1 a barrel, or whatever price they fix, because the producer can not help himself. He has nowhere else to sell it. Then they refine the oil. For 20 years they have refined the oil in the district that I live in and turned it into kerosene oil. From a barrel of crude oil they make 22 gallons of kerosene. And then they state that the things made in addition to the kerosene, by-products, you might say, pay all the cost of refining and the marketing and the pipe-line cost.

What does that mean? It means they bought a barrel of oil at a dollar and turned it into kerosene, 22 gallons, worth 10 cents a gallon. That gave them out of every barrel of oil that came out of the ground in the Corsicana field \$1.20 profit. It is clear that the Standard Oil made more money in that field than all the owners of the land that it came from and all the wildcat operators in the field combined. They received more net profits than the gross receipts of everybody else in the business put together.

Gentlemen, all over Texas they have done the same thing. A new field is opened up. At Beaumont, Tex., the prices got so low that it sold for less than 5 cents per barrel. I was interested in a company that in 1901 sold 150,000 barrels at from 3 cents to 5 cents a barrel. Yet the gentleman from Wisconsin [Mr. FREAR] says that when they send it to Shanghai they sell it for \$7 a barrel. They were paying in 1901 50 cents a barrel at Corsicana, and from 3 cents to 5 cents a barrel at Beaumont. Now they pay \$1, or maybe \$1.25, per barrel at Corsicana.

Gentlemen, if you will let me buy the crude oil at the price I fix and let me sell the finished kerosene at the price I fix, and let me make from the sale of by-products an amount equal to the total expense of operation, I can levy on the people of the United States such a tribute as no Roman provincial governor ever thought of levying in the days of widest Roman supremacy. Yet this is one of the great beneficiaries of this bill.

Ship owning is one of the economies that this company uses. It uses its own vessels to send its cargoes of oil from Mexico and the United States across the western seas to far-away Shanghai and the other ports of the world over there; and we propose by this bill to give to this autocratic concern, which has the power of making levies on the people at its discretion and



making such a profit as they see proper—we propose to give them out of the Treasury one-half a cent per ton for every hundred miles they sail. They buy the oil in Mexico; they take it to Canton, China, or to Shanghai. We never get a touch or a smell of it—as pleasant as the smell of oil is—when we pay that subsidy. I do not know how many miles it would be to go around from Tampico, Mexico, through the Panama Canal and on over to Shanghai or Canton. Perhaps it is 12,000 miles. You can figure it out yourself. If we do not belong to the Standard Oil and Steel Trust to-day, this bill will help give them and like concerns a clear title to our bodies and souls.

The rate I have figured on is the cheapest rate that we are to pay. If they can increase the speed of the vessel on a trial trip, they get more. They do not have to make 12 knots on a regular voyage to increase the subsidy; but if they make a trial trip and they go over that, they get an increase of the subsidy.

Gentlemen, I am limited in time, and I find I am incapable of getting an argument together that will read coherently and logically; but I want to take up certain things about this bill. I maintain that the bill will not eliminate the \$50,000,000 that it is claimed the Shipping Board is now expending beyond its receipts in administering this property. I think it has been shown by the gentleman from Alabama [Mr. BANKHEAD] and the gentleman from Tennessee [Mr. DAVIS] that if you pass this bill, for the first year or two the overhead charges of the Shipping Board and the care of the ships will remain practically what they are now, because in the first 12 months you might sell only 20 ships. I think they could sell 13 of them pretty soon. Why do I think so? Because Thomas H. Rossbottom, directly operating these ships for the Shipping Board, has demonstrated that his line to Liverpool and Bremen can be operated and is being operated at a profit, and consequently private shipowners will be glad to buy the ships which constitute that line, which is the only illustration existing in the United States of what can be done under Government operation. Mr. Rossbottom running these ships directly for the Government has made a success, and private capital will want to take them from the board.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. MADDEN. I would just like to ask the gentleman whether he thinks that is a fair illustration? Those are the greatest ports in the world.

Mr. HARDY of Texas. I think it is more than fair, because those ships go to the ports where they have the most vigorous competition that there is in the world. [Applause on the Democratic side.] If there is anywhere under the shining sun a route where the American ship operator can not compete, it is between here and Liverpool and Bremen. Yet Mr. Rossbottom appeared before our committee and said, "Gentlemen, I came up here because the Shipping Board asked me to take charge of the American Line, a line that was sold to a private corporation at a high price, and they got tired and came and asked the Shipping Board to take it back, and they took it back, and then they sent for me to run it."

The Shipping Board, in this one instance, found already in Government employ Thomas H. Rossbottom, who for 20 years had run a Government line from Panama to New York and other ventures at a profit, and they put him in charge. It is a great pity they did not employ other good ship operators at a salary to operate other ships of the board instead of turning them all over to great corporations owning their own ships and not in any way interested to make the board's ships a success.

Mr. MADDEN. I hope the gentleman will allow me to interrupt him just a moment.

Mr. HARDY of Texas. Certainly.

Mr. MADDEN. The gentleman did not mean to say that this shipping company that preceded the United States Line asked to have the ships taken back. They were forced back. They took them back under a court order.

Mr. HARDY of Texas. I understand so; but how much monkey business there was in that I do not know.

Mr. MADDEN. That is the truth.

Mr. HARDY of Texas. I know they were sold shortly after the war, and sold for a good price, and the company that bought them by easily surrendering them to the Shipping Board got out from under and vanished into thin air, and the Government had them on its hands. What did they do? They got Mr. Rossbottom, a practical shipping man, a man of ingenuity and American initiative, a man who had made a success of what it was prophesied would be a failure when he took charge of the Panama Steamship Co., a man who reduced the cost of the Panama Canal by hundreds of thousands if not millions of dollars. He reduced that cost by taking the freight neces-

sary to construct that canal at 50 per cent less than private shipowners were asking to take it. He reduced the cost by carrying their workmen, their laborers, their employees at \$25 a head when other ships would have charged \$75. With all those savings to the Government and its employees he still maintained a profit after allowing for insurance, repairs, depreciation, and interest on the capital investment of the ships.

For 20 years he has proved a success, and they sent for him. I would not impute sinister motives, but I doubt if the Shipping Board thought when he got in charge of this United States American line that he would make a success of it. They may have expected that he would only add to the proof that the Government can not operate these ships successfully or do anything except fold its hands and look up to some master capitalist, some captain of industry, and say, "Come and deliver us, ride us, tax us." He did not do that. What did the Shipping Board do? They gave him 13 ships. Among them were 4 first-class ships, 2 moderate-class ships, 2 very poor ships, and 5 ships that rank from worthless to worse than worthless, so that, as a whole, his fleet was one that almost precluded successful operation. Nevertheless, he gave us his receipts and expenses, and during the three months before he came and testified before us, he had a net balance from operating of some \$600,000 with these ships all on his hands. Some of them ran him in debt, some of them made good profits, some of them made less profits; but he said, "Gentlemen, if you will give me a fleet like the four best ships I have got, I will not take off my hat to anybody. I will run in competition, without a subsidy, with any shipping nation on the face of the earth," and he demonstrated that he could do it. Well, as I said, gentlemen have contended, with a plea they have made here, based on assertions which they hope will be impressive, that the effect of this bill will be to save \$50,000,000 annually that the Shipping Board is paying out now for operating losses, and will only convert that \$50,000,000 loss into \$50,000,000 or \$30,000,000 subsidy. But let me tell you what is the fact. The subsidy, the first year, may not be over \$30,000,000, because you will not have to pay subsidy to any but privately owned ships and the Shipping Board ships will not draw a subsidy until they are sold; but there are already quite a number of ships owned by private individuals, and all these will begin to draw subsidies at once, without lessening the Shipping Board expenses in any way.

There are enough ships owned by private individuals to-day to cause the Shipping Board, with its extreme sensitiveness to private interests, to take out of the trade many of the Shipping Board ships, lest they might compete and interfere with the profits of some privately owned ships, and the Shipping Board is not doing what it ought to do in order to reach out and try to get trade for its ships, because it is afraid it will interfere with some privately owned ships. They tried to take the Government owned and operated ships of the Panama Steamship Line away from Rossbottom, at the behest of private shipowners, because he was making it pay and extending its operations by able administration. I do not know how many privately owned American ships there are now, but those privately owned ships will begin to draw their subsidy at once. I understand there are about 2,000,000 tons of such ships, and they will draw under this bill at least \$15,000,000 per annum. I presume that somebody would take over the *Leviathan*, upon which we are spending \$8,200,000 to put it in good repair. It is generally understood—and that from the intimations of the Shipping Board—that after we get it in good repair the Shipping Board will sell it for about \$7,000,000 or \$7,500,000. In other words, we are now going to spend as much or more on the *Leviathan* as we expect or anticipate by any possibility to get out of it when we turn it over to private ownership. Do you know what you will do when you do that? You are going to turn over the *Leviathan* to a private owner for less than we are now prepared to spend on it and are spending on it to put it in good repair, although she could not be replaced for twice as much. It must be remembered that the subsidy is based on the speed traveled. When the *Leviathan* is turned over to the private owner it will run over 23 knots an hour, and when it goes on the seas it will earn, on the basic rate of this bill, 2.6 cents, or in round numbers 2½ cents, per ton per hundred miles. Now figure that up.

My colleague, the gentleman from Tennessee [Mr. DAVIS] said the vessel was 54,000 tons. I have it as 55,000 tons; but we will take it at 54,000 tons. Now, you figure its mileage and let it run 23 knots per hour 10 months in the year, and you figure the subsidy at 2½ cents per ton per hundred miles. It will naturally travel in 10 months over 144,000 knots. It will travel 480 knots, earning 12 cents per ton, or \$6,480 for the whole ship per day, and this multiplied by 300 will give \$1,944,000 a year, which you will pay on that ship alone to



the party to whom you have given it. Oh, you did not simply give it. They would not take it, they said, and consequently the Shipping Board have decided to spend \$8,200,000 and give it to somebody for \$7,500,000. And that is to help the farmer, who never will see even the outside of the *Leviathan* and will never be benefited a dollar. Surely the farmer will be benefited, because he will have to dig for the money, and the "Lord loveth whom he chasteneth." You propose to give this money to the purchaser of the *Leviathan* notwithstanding the United States Treasury, according to Mr. Mellon, faces a deficit of between a half billion and a billion dollars for the coming year, and notwithstanding you have no money to pay the soldier bonus.

Mr. MADDEN. Will the gentleman yield?

Mr. HARDY of Texas. I yield to the gentleman from Illinois.

Mr. MADDEN. The gentleman will admit that the Government was ready to sell that ship for \$4,000,000, in its then condition, and an injunction was issued against the sale.

Mr. HARDY of Texas. I am glad to say that I was on the Committee on the Merchant Marine and Fisheries, and we tried to help the then chairman of the Shipping Board, John B. Payne. We tried to help him to sell it, but we had one of the big fish in the country, William R. Hearst, the editor of great papers in this country, who came down here and enjoined the sale. He prevented the sale of that ship for \$4,000,000, as it then stood net to the Government. He attacked Chairman Payne viciously, and said he was sacrificing our ships for too little. Now, with all his great papers he is backing this bill to give away the *Leviathan* and sell all our ships for a song. Mr. Hearst must have seen a great light. Maybe so the people will see a great light before this bill is passed. Surely, sir, we could have gotten \$4,000,000 net for the ship two and a half years ago.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. HARDY of Texas. I will.

Mr. J. M. NELSON. Was there a law passed to prevent ships being sold to foreign countries?

Mr. HARDY of Texas. It was then on the statute book.

Mr. MADDEN. They were authorized to sell ships to Americans, and had some ships offered for sale, but there was a resolution passed by the Senate suggesting that they withdraw it.

Mr. HARDY of Texas. Yes; Congress butted in and, as usual, muddled the waters. We had a chance to get \$4,000,000 out of the coffers of some great company, and then it was stopped by William R. Hearst and Congress, and since then Members of Congress have never ceased to criticize the old board for not selling ships.

Gentlemen, I have shown you the subsidy that will be paid on one ship. The Shipping Board will make a 10-year subsidy contract with the purchaser of the *Leviathan*, under which the Government will pay back all the purchase money and more.

Now, these gentlemen say that the Government must further help the farmers by loaning ship companies the money to build two bigger ships than the *Leviathan*, at 2 per cent interest. So you will have thirty million to build those two vessels loaned by the Government at 2 per cent interest added to the subsidy of 2½ cents per ton per 100 knots, and then the two new ships would cost in subsidy about three millions per year. In 10 years' time the Government will pay on the *Leviathan* and these two new ships more than enough to wipe out their cost to the owners, and be ready to make another 10-year contract. Well, who does it go to? It is not necessary to say.

Let me read a little article that, I think, presents a fair question:

Those who oppose the subsidy policy for developing an American merchant marine also oppose Government ownership and operation of ships in peace time, yet say they want our flag on the seas.

That is absolutely true, as to permanent Government ownership and operation. The article continues:

By what plan can our flag be restored to the seas if Uncle Sam is not to do the job himself or encourage private enterprise to do it?

Well, by what plan can we raise cotton if Uncle Sam, when cotton is selling at a loss, refuses to do the job and refuses to pay bounties to those who do it? Every farmer in the United States has sustained a loss, if he is a big farmer, in the last two years. Did we hear the Government proposing to hand out anything to keep him in business? Not at all. The article continues:

We have waited long for private enterprises to accomplish the purpose unaided, and we have waited in vain.

That is absolutely true; and I want to tell you why we have waited in vain. We have not waited in vain for private enterprise to have a merchant marine engaged in the coastwise trade, have we? We have the biggest merchant marine of any

country except Great Britain to-day. Up to the war we had a great merchant marine, but it was all engaged in the coastwise trade. To hear some of the advocates of this bill you would think that we had no ships prior to 1914. We had many magnificent ships prior to 1914, ships capable of sailing all the seas, capable of carrying any amount of cargo, but they were engaged in the coastwise trade. We did not have them sailing under our flag in the foreign trade, but we had them under our flag in the coastwise trade. We had under our flag six or eight million tons of shipping engaged in the coastwise trade, and we had under foreign flags owned by American citizens something like a million tons engaged in the overseas trade. Why is it that American private capital prior to 1914 put what ships it owned under some foreign flag and declined to build up our foreign-going merchant marine under our flag? That is the question, is it not? If you know the cause that prevented Americans before 1914 from engaging in overseas trade in ships under the American flag and compelled them if they engaged in such trade at all to do so in ships under foreign flags, ought you not to try to remove the cause? I can surely and clearly show you what that cause was.

Judge DAVIS yesterday went over the history of our merchant marine, and he showed that we had the greatest merchant marine up to 1860 in the world. Why, let me tell you. Up to 1860 in our shipyards on the coast of New England, at Baltimore, and other places in the United States we built the cheapest ships that were built in the world, character and quality considered.

That sounds strange, does it not? But it is true. They built the best ships and you could not get as good ships for the same money built anywhere else. We paid bigger wages in the shipyards than Great Britain did, and we built a better ship for the same money. We paid better wages to the seamen on the ships, but we carried the cheapest freight. The fact was that up to 1860 the United States seagoer carried the cheapest unit of freight in the world. Why? Because he could sail faster—he could make two trips in a clipper-built ship from Baltimore to Liverpool while the English ship was making one and a half trips. In other words, he could make four trips to the English ship three. What else? By superior ships, by better running, having abler seamen, our owners could get better rates of insurance. We could outinsure them, we could outsail them, we took less time to turn around in the ports, and we could get cargoes when they could not. As was said the other day, our ships in a foreign port could get a cargo at a higher price than other ships, because the owner or shipper of the cargo knew that it would go faster and safer, and knew it was a better venture even at a higher rate. What else? Under these conditions the American commerce spread in proportion to our production all over the world.

Under these conditions the American ship sailed the seas everywhere and paid higher wages to the crew. And without any Government aid to our ships or any Government burdens or restrictions or discriminations against foreign ships coming to our ports, we carried from 68 per cent to 90 per cent of all our outgoing and incoming commerce, and carried millions of dollars' worth of commerce between foreign ports; that is, the international commerce of foreign countries. But our shipbuilders hustled; they were building ships for the world. Our seamen hustled; they were beating the seamen of the world. Our ship captains hustled; they were better paid than any other captains; they earned the money; and with the better crews they made better time, had fewer repair bills, and secured better cargoes. Our ship companies were backed by the bankers and merchants at home, and they hustled. They had their agents and business scouts and connections in all countries, and generally the shipowner himself was like Robert Dollar tells you in an article published recently, a wide-awake, hustling business getter. They did not build up their business connections and success overnight, but through patient, persistent effort.

When the honest student of merchant-marine problems grasps the lessons of merchant-marine history he will know that it is not cheap labor or subsidy or discriminations that bring success, but business enterprise and administrative ability, that adopts the best ship equipments and improvements and time and labor saving devices, and secures the best business connections at home and abroad, and the best and fullest cargoes to and from every port the ship enters. But initially you must give to American capital the privilege of putting the cheapest ship he can get in the world under our flag, or he will buy the cheapest ship he can get, and put it under some other flag, which is what was happening all during the years from 1865 to 1914.

But to go back: From 1830 to about 1855 or 1860, when we were building better ships for the money than England, what happened?



What happened then? When we began to build ships cheaper than England could, then England, with the wisdom that has characterized her conduct of shipping operations always, said that if America could build a better or cheaper ship than England could, she would let her merchants go to America and buy the ship and put it under her flag and sail that ship in competition with ours, lest British capital should invest in ships under the American flag. So England repealed her old law that prohibited any but British-built ships from flying the British flag. She made her British builders compete with the American. But what happened later? Along in 1854 England had been progressing in iron and steel manufactures because of the proximity and the immense quantity of coal and iron ore there. She was producing iron and steel cheaper than we, and she began to build ships of iron and to put steam motive power in them and so to build superior ships. Some of our New Englanders, wedded to the past, said that it was not reasonable to suppose you could make iron float and do the service of a wooden ship on the seas as cheaply as you could build and sail wooden ships, and they clung to their old sailing vessels and their old wooden ships, which they would have had to junk if they got up to date and bought the British ships, and from 1854 to 1860 the British shipping was gaining on us because they had a newer and a better type of ship for the money. What did we do? Did we do as Great Britain did? Did we say to our merchants who wanted to engage in the overseas trade: "Our builders have gotten behind; you go and buy your ship in Great Britain and put it under our flag so you can compete with Great Britain."

Oh, no. Of course, those were troubled times; the war was coming on, and we can not greatly blame the statesmen of that day for not resorting to the wiser course. They had too many other troubles. The war came on in 1860, when we were in that condition; and yet, notwithstanding that fact, when the war came on we were carrying, mostly in the antiquated sailing ships of ours, 68 per cent of all of our commerce, incoming and outgoing. After 1860 the Confederate cruisers became a menace to the merchant shipping of the North. Some of them were sunk—I do not know how many—but 800,000 tons of New England shipping were sold abroad, and who bought that shipping? Why, Great Britain, in utter disregard of any protest that may have been made by British shipbuilders, and she put her flag on those ships and sailed them in all her trades. Under the same circumstances, I regret to say, that we would have allowed—in fact, we did allow—ourselves to be throttled by the shipbuilders of the United States. Great Britain merely said to her shipbuilders, "We are going to buy these ships, and you will build ships for us when you can or when we need them if you can build them better or cheaper than we can get them elsewhere."

We have been the victims of our foolish purpose to build up and maintain a shipbuilding monopoly in this country at the expense of every other interest and industry in the United States. We coddled and hothoused our shipbuilders until they became, in their own eyes at least, helpless and hopeless incompetents, and they ceased to try to build a ship except for the protected coastwise trade. Uncle Joe, you remember the days when our ships were the best ships on the ocean. I was born about the time the English began to creep up with their iron ships, and we clung to our old law that forbids buying any ships built anywhere but in the United States.

In the sixties we added to our shipbuilders' difficulties by placing a very high tariff on shipbuilding material. We did this to coddle the steel industry. There should never have been a day when there was one cent of duty on material imported into the United States with which to build ships. Yet, after 1860, we laid a duty of 50 per cent on shipbuilding material, and in 1874 the Committee on Merchant Marine and Fisheries appointed a committee of investigators to go out and find out what was the matter with our overseas merchant marine. They came back and said that because we laid a heavy tariff on shipbuilding material we thereby prevented our shipbuilders from competing in price, and that we ought to take off the tax on shipbuilding material. However, they were so wedded to the iron and steel interests that instead of taking off the duty frankly and freely and fully, they passed a law taking off the tax on shipbuilding material but providing that a ship built with any imported material should never touch our coastwise trade, and if it did ever engage in our coastwise trade it would have to go back and pay the duty. The result of that limitation was that but one ship was built with foreign material, and the owners of it were in such constant fear all of the time that the vessel would touch and carry a cargo in the coastwise trade and they were so hampered by the prohibition against carrying any coastwise cargo

that they never repeated the experiment and built another ship with foreign material.

When the Democrats came into power in 1914 we absolutely took off all duty on shipbuilding material so that an American shipbuilder could get his steel and iron—if he saw proper—in Great Britain or in Germany or in any other place and pay no duty upon it. That was the hardest fight in which I ever engaged since I have been in Congress. Why? The Steel Trust said that if we put shipbuilding material on the free list we would destroy the iron and steel industry of the United States in shipbuilding material. But what happened? We put it on the free list and the shipbuilders of the United States did not have to go anywhere except to our own manufacturers to get all the steel and iron they wanted at the same price they could get it in England.

Our iron and steel manufacturers did compete from that time on with the manufacturers of steel and iron in Great Britain. Not only so, but they were competing before that time, only they would not sell to our shipbuilders at foreign prices until they were forced to. They were selling ship plate cheaper in England than they were selling it here, and Mr. Schwab before one of the congressional committees testified that they could produce a ton of steel in the United States for \$12 and deliver it over there, while England could not produce it at home for that price, much less send it here at that price—and, mark you, our steel industry is supposed to pay American wages, as much as our shipbuilders.

Mr. EDMONDS. Will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. EDMONDS. What would have happened in 1917 if we had not had the shipyards?

Mr. HARDY of Texas. I will tell the gentleman. In my judgment, had we pursued the policy I have been advocating, first, of giving the shipbuilder untaxed shipbuilding material and then of allowing the American ship buyer to buy where he could find the cheapest ship, the American shipyards in 1914 would have been bigger and stronger than they were and would have for many years been building the far greater part of the ships in our overseas and coastwise trade and at the same time been running a neck and neck race with England in building ships for all the world.

John Roach, a great shipbuilder, appeared before the Merchant Marine Committee in the eighties and testified that if you would give him free iron and steel he could build ships in competition with any country. Other shipbuilders then and since that time have given the same testimony, and their ability to compete was demonstrated even under the tariff on steel when under competitive building American shipyards secured the contract to build a battleship or battleships for the Argentine Republic a few years ago. Moreover, the commerce on the Great Lakes has been competitive between Canada and the United States, and in Lake ships the United States shipbuilders have had to compete with foreign shipbuilders, and they—that is, the United States shipbuilders—have put it all over the shipbuilders of other countries in the building of the Lake type of vessel.

Mr. Chairman, not only would our shipyards have been bigger and stronger in 1914 than they were, if my policy had been in force for 50 years but every ship owned by American capital in the foreign trade would have been under the American flag and not subject to British requisition, and, in my judgment, instead of the few hundred thousand tons we had in the foreign trade under our flag and the half million American-owned tons in the foreign trade under foreign flags we would have had at the breaking out of the Great War some four or five million tons of shipping in the foreign trade under the American flag.

When was it that J. P. Morgan started to organize a great shipping combine? Some 10 years ago, was it not? He would have organized it, too, if he had not been prevented by death or Government interference. The syndicate would have been American owned or controlled, but the ships would have been under foreign flags unless our shipbuilders had competed with foreign builders, because Mr. Morgan would not have paid higher prices for his ships in order to place them under the American flag. I am persuaded, however, that if the American shipbuilder had been confronted with the question of whether he would compete or lose all chance of building any of those ships he would have competed.

I was about to touch upon this very subject when the gentleman from Pennsylvania asked his question. I ask a similar question. What would have happened in 1914 if we had not had the steel plants? They said if we put steel on the free list they would go out of business. The shipbuilders



now say that if we put ships on the free list they will go out of business. The same thing will happen in the shipping industry as has happened in the steel industry. They never lost the sale of a ton of steel because of the removal of the tariff on ship material, and when you put ships on the free list our American yards will build for our American owners and for shipowners and operators all over the world. Let me get that plain. The Steel Trust said that if we put shipbuilding material on the free list they could not compete with the British producer of iron and steel and that we would destroy the industry here. We put it on the free list and it did not destroy the industry. They continued to manufacture and they undersold the British. They then manufactured not only for our shipbuilders but for the British shipbuilders and for the shipbuilders of Europe, of France, of Italy, of everywhere.

You let the American shipbuilder alone, let him have free shipbuilding material, and then tell him to go out with his infant industry and fight for his success and his prosperity. Mr. Chairman, I repeat it, man after man from the shipyards and from the shipbuilding companies of the United States came before our committee and said that if we would give them as cheap material as other countries had—and I can give you the names of those companies—as cheap material as they have in England, and then give them standardized ships to build—that is, give them ships in quantity—they could build as cheap a ship as they could on the Clyde. You can find that scattered all throughout the hearings, and I know they can do it.

We have got cheaper coal and more abundant in the hills of Virginia and the other mining sections of the country. What else? We have got timber right here in our country, while England must import it. What else? We have got on hand a supply of 1,500 ships, nearly 10,000,000 tons of ships good to be used. If the shipbuilders of the United States now do not go out and build ships in competition with the builders in any other part of the world and sell their ships abroad they will have to go out of business for 10 years. The point I am making is that the shipbuilders of the United States, purblind as all interested parties always are, ought to be able to see that unless they can build in competition with the world they must go out of business.

Let me revert to the reason why our flag left the foreign trade. Mark it. Our foreign shipping flourished when we had the cheapest-built ships and furnished ships for the transportation of the world. After 1860 and after the destruction and sale of our shipping from 1861 to 1865 we were still carrying about 32 to 38 per cent of our ingoing and outgoing commerce. What carried that? We carried it in the old ships that the New England shipowner still had left over that had neither been sold or sunk, and that amount of tonnage was still engaged in the foreign trade. They were mostly sailing ships, mostly small ships, all old ships. What happened then? We had then a duty on steel material. Then we had a law that no ships not built in the United States should fly the American flag. Consequently when one of those old ships sunk—when a storm came and the ship of 2,500 or 5,000 tons went down—and the owner looked around and wanted to replace it, he found that if he bought an American ship it would cost him 50 per cent more than he could buy the same ship for in Great Britain. Why? Because the Government of the United States said, "You can not fly my flag on a ship unless it was built here." And the shipbuilder said, "Because my ship can engage in the coastwise trade and the British ship can not, you have got to pay more for my ship." Well, what do you do? You make up your mind whether you want to go into the coastwise or the foreign trade, and if you want to stay in the foreign trade you perhaps enlarge the size of the ship and buy a 10,000-ton ship, foreign built, and put it under a foreign flag.

In 1910 a 10,000-ton ship built here cost about a million dollars, and you could go over to the Clyde and buy that ship for \$600,000 and put it in trade between New York and Liverpool. What would you have done as a business man? You would have bought the British ship and put the British flag on it. Consequently when one of the American ships went down it was not replaced. Gentlemen, from 1865 to 1914 the condition was this: Every time a ship went down on account of weather at sea, every time one of those old American ships which were carrying 32 per cent of our commerce at the close of the war was lost the owner, if he replaced it at all, went over to the Clyde and bought a ship there and it went under the British flag. Now, gentlemen, do you want any better demonstration of why it was that one by one as the autumn leaves fall and the snow begins to gather that one by one American ships sunk beneath the waves and never came back,

or if replaced went under the British flag? I know I am giving you the right solution of why our flag disappeared from the sea.

I know it was because of the higher cost of the American ship, and that higher cost was because of the duty on shipbuilding material and the monopoly given to American-built ships in the coastwise trade. Suppose you are in New York and you want to buy a ship to use in trade to Liverpool and you find two ships just alike, sister ships, in the harbor, both for sale. One of them you can sail both in the coastwise trade and the overseas trade; the other you can sail only in the overseas trade. Will not that privilege alone make one bring a premium on the market? And just because it brings that premium it can not be used in the overseas trade where the cheaper ship can be used. The American-built ship brings a premium because the owner in the case of a sorry season or small cargo for Europe can go from New York to Savannah and carry a cargo to Savannah, and from Savannah to Pensacola and carry a cargo there, and from Pensacola to Galveston and carry a cargo, so he can carry a cargo to those various points and then at Galveston load cotton or grain, whereas if his ship was a foreign-built ship he has to make an empty voyage or in ballast to Galveston.

Let me try to make plain the dilemma our laws have left our shipowners in. Any American citizen wishing to go into ship operations has been compelled to choose between two evils. First, buy a cheaper foreign-built ship and put it under a foreign flag. In that case he can not engage in our coastwise trade at all. When he brings a European cargo to New York and has to go to New Orleans for a return cargo, he is not allowed to carry any goods from New York to New Orleans, but must go empty or in ballast, at great cost, or if business should be slack between America and Europe our rich coastwise trade is closed to him; his ship must find business somewhere else or lie idle. Second, buy the far higher-priced American-built ship and put it under our flag. In that case he may participate in our coastwise trade. He may carry goods or passengers from all our American ports to all our other American ports, and in this trade he is protected by absolute prohibition against competition of any foreign ship. But he is practically barred from the European or foreign trade, because his ship cost is so much greater than the cost of the ship of his competitor. The result has been that the American ship operator has retired from the foreign trade almost entirely, or if he has engaged in it at all he has done so by buying the cheaper foreign-built ship and sailing it under some foreign flag. He has in fact confined himself in the main to our coastwise trade. For that reason when the Great War came we had practically no ships in foreign trade under our own flag. While our citizens owned considerable tonnage in the foreign trade under foreign flags, the amount of such tonnage so owned is hard to get at, and it was all subject to requisition by foreign governments.

Why, James J. Hill, when he was asked why the American merchant marine disappeared from the seas in the foreign trade, said it was clearly because it cost the American merchantman 50 per cent more to buy a ship and put it under the American flag than to buy the same kind of ship and put it under a foreign flag. It is that dilemma I wish to solve by giving our ship operators the same right that the nationals of every other country in the world have; the right to buy a ship where he can buy it cheapest, and sail it either in our coastwise or overseas trade.

Gentlemen, that is what I want to urge, because it is the only way we ever can or will have a great overseas merchant marine. I know I am up against the pet doctrine of the Republican Party, the protection absolutely of the shipbuilders of the United States against any foreign competition, not by a tariff but by the absolute exclusion of foreign-built ships from our flag, and the question that was asked me just now, "What would you have done if we had not had any shipyards?" means to assert that we could never build ships in competition with the world. I deny this and I assert that without this law of exclusion we would have had bigger and better shipyards. We would have had the shipyards just as we have got the steel industry to-day. Do you tell me that America, with cheaper coal, with cheaper iron, with cheaper steel, simply because it pays a little higher wages—although the wages are not so much different—can not build a ship? "Oh," they say, "we are talking about a subsidy now." It used to be that the only sound argument for a subsidy was the greater initial cost of our ships, but to-day, even without any change in the law, we have got 700 first-class ships, according to the testimony of the chairman of the Shipping Board, ready to be sold to the American ship operator cheaper than any other ships in the world can be



bought, so that the ship owner to-day does not have to pay a dollar more for an American ship than if he bought it abroad. We are offering those ships, and the bill of 1920 authorized and directed the Shipping Board then to sell the ships at world prices for ships. Why, then, should they have a greater initial cost? Why should they be given a subsidy?

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Assuredly.

Mr. MONDELL. The gentleman is assuming that there is no handicap against the American shipowner. If that is so, why does it happen that, with all the capital and all the enterprise of America, we have not gone into the shipping business?

Mr. HARDY of Texas. If the gentleman had been here a moment ago he would know. I have said that the gentleman as a sensible man would not buy a ship and pay a million dollars for it for the privilege of putting it under our flag when he could buy the same ship for \$600,000 and put it under the British flag. If the gentleman can not see that, he is hopelessly blind. But now American ships are offered by the Shipping Board for less than world market price, and have been offered at world market price ever since 1919.

Mr. MONDELL. If so, why has not American capital embarked in the trade, if there is no handicap against them?

Mr. HARDY of Texas. The answer is that American capital did embark in the trade, or tried to. In 1920 the best shipping man in the United States, Mr. P. A. S. Franklin, the head of the International Mercantile Marine Co., wrote to the Shipping Board and said: "I want to buy a good many of your vessels. I want to put them in the lines between New York and Liverpool and between New York and Bremen." He said, "I have got my connections in the interior of Germany, and I have got my connections all over Europe, the port and the inland connections, and I can run those ships in competition with anybody in the world. I want them at the market price." That was in 1920. Later in the same year he wrote to the Shipping Board and said, "As soon as you are able, give us the price." That was at the time we had the trouble with Hearst about the sale of the *Leviathan* and other ships. "If you can not sell them I want to charter them," he said. "Give me a bareboat charter," he said, "to run them to those ports, and I will guarantee that I will keep up the lines."

There is the answer to the gentleman's question. Franklin knew what he could do, and he was not alone in wishing to buy these ships and run them without any subsidy. But what happened then? The gentleman knows we had a Republican Congress criticizing the Shipping Board for everything it did or did not do. Congress spent weeks and months wrangling over a policy for the Shipping Board as to the sale of these ships. The great depression came in shipping, as in everything else. Investors quit buying anything. And then they began to talk subsidy, and the American Shipowners' Association met. They said:

We can put one over now. We are now able to get Congress, in the presence of the world-wide shipping losses and this vast number of ships they must carry till times get better—this white elephant that they have on their hands—to give us the ships and a subsidy, too.

And so they concoct this bill.

Mr. MONDELL. The gentleman was undertaking to give facts a while ago. Now he is dealing in fancy. As to the facts, if Mr. Franklin and others can run American ships, why do they not buy them and run them?

Mr. HARDY of Texas. I have just answered that question.

Mr. MONDELL. Yes; but the gentleman answered it by getting into the realm of fancy.

Mr. HARDY of Texas. Let the gentleman keep himself in patience for a moment. I have given the facts on which I am basing my reasoning. Those are the facts. Mr. Franklin did offer to do it, and he did it more than once. He persistently asked the Shipping Board to name him a price, and others also were seeking to buy the ships. John Barton Payne testified that they could sell a great many of these ships, but he was enjoined, and finally the subsidy proposals of the present Shipping Board put an end to any possibility of sale until prospective buyers have exhausted their efforts to drive Congress into giving them a subsidy. The constant desire of the shipowner is to get something for nothing, seeking to acquire additional profit, and he has been right here periodically. The strongest men in Congress—Republicans and Democrats—have turned them down, but every once in a while we find a stalwart opponent falling into their meshes and then coming out on the other side, like my friend from Illinois [Mr. MADDEN], who is now for this subsidy, and he is for it now in the presence of a condition that is more favorable to American shipowners than ever before, and of a condition of the Treasury that is less favorable to granting this graft than ever before.

Gentlemen, if you represented a great corporation, a great association of corporations, as Winthrop L. Marvin does, and you thought there was a chance of getting for your great corporations such bounties and bonuses as the world never dreamed of before, would you spoil all that by saying, "We can build a merchant marine without any subsidy; we can run ships without Government bounties?" Not at all. [Laughter on the Democratic side.] And so, when the Ship Owners' Association got together under this administration, with the present Shipping Board chairman formulating and promulgating and doing all kinds of "ating" that you can think of, they said they could frame a bill; and I do not believe there is a paragraph in this bill that was not framed by the Steamship Owners' Association and sponsored by them. [Applause on the Democratic side.]

Mr. MONDELL. I take it that the gentleman's position is that America has not gone into the shipping business in the last 50 years because those who might go into the business are all hoping for a subsidy?

Mr. HARDY of Texas. No; I did not say anything of the kind.

Mr. MONDELL. That is what I understood the gentleman to say.

Mr. HARDY of Texas. I said since 1920; since Mr. Lasker was made chairman of the Shipping Board they had bought no ships; first, because of injunctions, and later because with Lasker promising them a subsidy—

Mr. MONDELL. What was the trouble prior to that time?

Mr. HARDY of Texas. Prior to 1920 we had sold a goodly number of ships to buyers who were not expecting a subsidy. In 1920 the Republicans passed a bill authorizing the appointment of a new Shipping Board. The term of part, at least, of the old board expired and the remaining members were acting by a kind of sufferance, and President Wilson could not appoint one that had any chance of being confirmed by the Senate, and everyone knows, and the gentleman knows, that all things were in a state of confusion, and it was not known what could be done; and then the President put Mr. Lasker in charge.

Mr. BANKHEAD. If the gentleman will allow me—

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. EDMONDS. The gentleman made the statement that he did not believe there was a paragraph in this bill that was not written or inspired by the American Ship Owners' Association. You do not want to make that statement, do you?

Mr. HARDY of Texas. Let me say right here that Winthrop L. Marvin was introduced before our committee, and an article was read, written by him, in which he claimed most of the credit of having written the bill, and he boasted of his handiwork.

Mr. J. M. NELSON. Was there not a committee of shipbuilders and ship operators that went before the Shipping Board—I do not know whether it came before your committee or not—and formulated a specific series of demands? And are they not practically all incorporated in the bill?

Mr. HARDY of Texas. The gentleman is right, and Winthrop L. Marvin's testimony shows that this bill was gotten up for and by the United States Ship Owners' Association, of which he was the paid representative, with the assistance, I do not doubt, of able men like my friend from Pennsylvania. [Applause and laughter.]

Mr. EDMONDS. No steamship owners' association assisted me in framing the bill.

Mr. J. M. NELSON. It is recorded in the Journal of Commerce, and you will find it in the Library, that this shipowners' association did meet with the gentleman from Pennsylvania. His name is specifically mentioned, as well as that of the chairman of the other committee, and they discussed these demands with him.

Mr. EDMONDS. That is true.

Mr. HARDY of Texas. The real fact is that this is the shipowners' bill.

Mr. EDMONDS. I want to say to the gentleman right now that the 10 per cent limitation was put in by myself. It was never suggested by the shipowners.

Mr. HARDY of Texas. What limitation?

Mr. EDMONDS. The 10 per cent limitation on profits.

Mr. BANKHEAD. That was very kind of you.

Mr. HARDY of Texas. Oh, I do not doubt there is some little trimming here and there, some little something that you did not get from them; but ask Winthrop L. Marvin, and he will say that substantially all the demands of the shipowners' association are in this bill, and that 10 per cent limitation you speak of is one I would be ashamed to father. Why, it requires

the Government to subsidize ships up to a 10 per cent net profit, and the Esch railroad bill had been damned by the people because it directs the Interstate Commerce Commission to let the railroads earn a net 6 per cent profit.

Mr. EDMONDS. There are 15 or 20 sections of this bill written by the subcommittee that aided me in drafting the bill—the subcommittee of the Committee on the Merchant Marine and Fisheries.

Mr. HARDY of Texas. We talk to those favoring a measure and get their views and demands, and become so permeated with their views and desires that they might just as well be handling the pen as you or me. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARDY of Texas. Will the gentleman yield me some more time?

Mr. BANKHEAD. How much time does the gentleman desire?

Mr. HARDY of Texas. Oh, give me an hour for the present, and I will get through as briefly as I can.

Mr. BANKHEAD. The gentleman from Texas is the ranking minority member of the committee, and he is entitled to that time. I yield to the gentleman one hour.

The CHAIRMAN. Without objection, the gentleman's time will be extended for one hour, or such part of it as he may wish to use. Is there objection?

There was no objection.

Mr. HARDY of Texas. I have shown, gentlemen, how it was that from 1865 to 1914 every ship that bore our flag in the overseas trade, if it sunk was replaced by one bearing another flag, and how under those circumstances our flag gradually disappeared from the ocean until in 1914 all the ships we had were a few old sailing craft, 30, 40, or 50 years old, and two or three big liners that bore a subsidy paid from the Treasury of the United States; that was all.

Mr. MONDELL. Now will the gentleman yield?

Mr. HARDY of Texas. I have got only an hour and want to get through, but ask your question as quickly as possible.

Mr. MONDELL. The gentleman just stated that in 1914 we had practically no merchant marine except such as was subsidized. Now, if that is true, as the gentleman insists, that Americans can run a merchant marine as cheaply as foreigners can, why did we not have a merchant marine at that time, with all the capital and all the seamen in America?

Mr. HARDY of Texas. I have answered this question more than once, but the gentleman asks it again and I will try to enlighten even him. The reason was because if you are a business man and you go to New York and you find two ships there, and you desire to engage in the overseas trade, and one of those ships is British and one of them is American, and you find you can buy the British ship for \$600,000 and that the American ship will cost you \$1,000,000, if you have any sense at all you will buy the British ship and fly the British flag because you are not permitted to fly the American flag. Consequently no man who wanted to engage in the overseas trade before 1914 ever bought an American ship.

Mr. MONDELL. Then except under extraordinary conditions there is a handicap, which without Government subsidy can not be overcome by the man who wants to sail ships under the American flag.

Mr. HARDY of Texas. There was a handicap that did exist when American ships cost 50 per cent more than British ships, and an American citizen was not allowed to put the American flag over any but an American-built ship.

Mr. MONDELL. And the gentleman—

Mr. HARDY of Texas. Wait now. Hold on.

Mr. MONDELL. And the gentleman was just as much opposed to a subsidy then as he is now—just as much against it then as he is now.

Mr. HARDY of Texas. Just wait a minute. Will the gentleman just hold himself until I can answer. There was that handicap, and no man denies it, but the answer was then to remove the handicap and let your American buy a British ship. The answer to-day is that there is no handicap, because American ships are freely offered to American citizens at the lowest price ever known anywhere in the world.

Mr. MONDELL. In other words, let the foreigner do our work.

Mr. HARDY of Texas. That is the gentleman's idea, that no American can compete with a foreigner in building a ship, and that if you give the American the cheapest ship in the world he still can not compete with the foreigner. I deny it.

Mr. MONDELL. The gentleman himself just said that.

Mr. HARDY of Texas. I said no such thing. Do not interrupt. Let me make my own speech. You said I favored letting the foreigner do our work. I deny it. You said we could

not compete. I deny it. After we made the hardest fight in the world to get free shipbuilding material, men like the gentleman from Wyoming then said we wanted England to make our ship iron and steel; we denied it. We put it on the free list, and then the American steel and iron industry competed with the foreign steel and iron industry and continued to produce all our ship iron and steel, and if you will put ships on the free list the American shipbuilder can and will compete and will build ships for Americans and for foreigners also. That is all there is to it.

Mr. MONDELL. That is, if you let the foreigner build our ships, then the American will build them.

Mr. HARDY of Texas. I did not say that. We said, "When you put iron shipbuilding material on the free list the foreigner will not furnish it, but the American steel and iron industry will furnish it," and we proved to be right. After we put iron and steel on the free list the American manufacturers of iron and steel sold to our shipbuilder the material cheaper than he could get it on the Clyde; and our steel plants furnished not only material for our shipbuilding but they began to sell it to shipbuilders all over the world. I trust the American people are not too dense to understand that.

Mr. EDMONDS. Will the gentleman yield for me to say a word?

Mr. HARDY of Texas. The gentleman wishes to ask a question?

Mr. EDMONDS. No.

Mr. HARDY of Texas. Then I can not yield to the gentleman.

Mr. MOORE of Virginia. Will the gentleman yield for me to ask a question in relation to a question propounded by the gentleman from Wyoming [Mr. MONDELL]?

Mr. HARDY of Texas. Certainly.

Mr. MOORE of Virginia. I understood the gentleman to say that along in 1920 Mr. Franklin, who, as I understand, operates ships under the American flag, wished to buy some of these ships owned by the Government, and he made some definite proposal in that regard. Since this agitation for a ship subsidy has arisen, has Mr. Franklin followed up his desire to acquire the ships, or is he waiting for the enactment of this bill?

Mr. HARDY of Texas. I have not heard from Mr. Franklin, and I presume he is waiting; I presume he is like all the rest of us—he is for his own interest. If he can get a bonus of a million dollars for running a great passenger ship he will be glad to get it.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. HARDY of Texas. Certainly.

Mr. J. M. NELSON. I notice that the J. P. Morgan firm is interested in the White Star Line and some others—will these ships come under this proposition?

Mr. HARDY of Texas. Every ship that flies the American flag, with the full right to fly it, will come under this bill, if I understand it right, and I think I do. The bill says, "The board is authorized to enter into a contract with any citizen of the United States who is owner of a vessel for the payment," and so forth.

Mr. EDMONDS. Will the gentleman allow me to correct him there? The ships flying the American flag will have to be owned by a line before they can get a subsidy.

Mr. HARDY of Texas. That is a qualification that I had not seen, not even in any paper. If that is so, it only adds to the viciousness of the bill. If an independent owner can not get a subsidy, and only the great lines can get it, you are building up worse than ever.

Mr. EDMONDS. The gentleman knows that that is not correct.

Mr. HARDY of Texas. I do not think it is correct, but the gentleman just said it was.

Mr. EDMONDS. What I mean is, and what the gentleman must know is, that a man owning 50 per cent of foreign ships and 50 per cent of American ships can not get the subsidy.

Mr. HARDY of Texas. Oh, that is an attempt to confine the ownership to our country. Am I right that every ship that flies the American flag can get a subsidy unless the owner is interested in a foreign line?

Mr. EDMONDS. Yes.

Mr. HARDY of Texas. I do not find any fault with that restriction, except that I think it can be easily evaded and will be evaded by every big ship-owning interest. They will organize one corporation to operate the foreign-built ships and a different corporation, which will be "a citizen," to operate the American ships and draw the subsidy.

Now, I want to tell you another thing: Mr. Franklin in 1920 was anxious to buy these ships, and not only he but others were



anxious, and the chairman of the Shipping Board thought he might sell several hundred thousand tons of ships, but our policy was in the balance. Congress was debating it, but the chairman of the board, I think, did all he could, hampered as he was. He offered some and did sell quite a few ships, perhaps all he could sell, but he was rightly directed to sell only at the market price; and after the Hearst injunction he sold no more. What else? Not only Mr. Franklin seemed to have strong faith in the ability of American ships to run without Government aid, but another man, who appeared as a witness before the committee, Thomas H. Rossbottom—and I have said something about him before—took 13 ships, more than half of which were not first class, and with those ships he did engage in competition and he did sail them and is sailing them now under the American flag at a profit. One of the ships made \$625,000 in three months' time, clear profit. And, further, he said that if you would give him a fleet of ships like that he would enter into competition with the strongest lines in the world and would come out with a profit. His expression was that if we would give him a fleet of first-class ships he would not take off his hat to anybody.

Now, gentlemen, what I wanted to do was to ask this question: What would I do, what would you do, if you had a great property, with unlimited capacity and capital to hold and manage it? What would you do with these ships if they were yours and you were not hard pressed for money so that you had to sell them, but could hold them as well as could anybody else? Would you give them away and then give somebody to whom you gave them a bounty to take them? No. You would say "I am going to keep these ships for the present and either operate them myself or sell them to somebody who will give me what they are worth and operate them; I have operated some of these ships without a loss, and some I must maintain at a loss, anyhow, because at the present there is no cargo to fill them, either for me or anybody else."

Do you believe that by throwing them all on the market and selling them that you are going to increase cargoes? The simple truth is that we might possibly sell the 400 ships now in operation and the balance of the 1,500 will remain unsold and idle, and you have got to expend the money required to take care of them. You will sell those that are in commission, now being operated, and you will keep the others and have to care for them. I say that the bill presents this phase, that private owners might possibly come in and buy the ships already operating on definite lines with a profit, or with such income, as with the subsidy added, would make it a profit. Nobody is going to buy the useless ships now, but as times get better ship companies would begin to come in and buy those which you had been keeping all the time, and as times got even better they would come in and buy some more. The result of this bill will be that in the immediate future you would begin to pay the subsidy to all the ships now privately owned, and you would begin paying subsidy on each of the present Government-owned ships, as the board gave it away or sold it for a song. You would not decrease the actual loss that you are paying for overhead, for repairs, and for care of the idle ships. You would have that to pay still.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. GRAHAM of Illinois. What proportion of the \$50,000,000 a year probable loss on these ships now is occasioned by taking care of the 1,500 ships that we are not operating?

Mr. HARDY of Texas. Apparently all of it is occasioned by that, and by the overhead charges of the Shipping Board, since, I understand, there is very little, if any, loss now on ships actually running.

Mr. GRAHAM of Illinois. Then the gentleman means that the shipping that is being operated is just about paying expenses?

Mr. HARDY of Texas. Now; yes.

Mr. GRAHAM of Illinois. And the gentleman figures that for 10 years to come, or at least during the life of these loans, we would probably have to maintain that same Shipping Board organization?

Mr. HARDY of Texas. We would have to maintain that organization, and at the end of the 10 years it would be costing twice as much as it should legitimately cost us to-day; and in the meantime the creeping up of the subsidy would continue. There never would come a day when the subsidy and the Shipping Board expenses combined would be as little as they are to-day.

You ask me what I would do. I will tell you what I would do if this property were mine, or what I think ought to be done. I would pursue very nearly the policy very clearly defined in the Jones Act of 1920. It was under that act, that does not

hint of subsidy, that Mr. Franklin made his offer. He made the offers—to buy ships, to charter ships, or to run them under commission as an agent. In trying to show that the great ship companies can not operate ships for the Government but could do it for themselves Mr. LEHLBACH made a magnificent indictment of all the shipowners of this country. If I believe what he says about it, then I believe they would gouge and steal and do anything else. He says that these same companies who are to-day operating these ships, without any investment at all, without any capital or depreciation or repair or interest charges and losing money for the Shipping Board, if they bought the ships, would turn them into a profitable venture. If a man like Mr. Munson, if companies like the great companies to whom the Shipping Board has farmed out these ships under what is called the M. O. 4 contract—a contract by which they get 5 per cent of the outgoing and incoming freight and 5 per cent of the outgoing passenger fare and 10 per cent of the incoming—if men like that can buy these ships even for a song and work them for themselves, the same managers and operators, and make a profit and can not or will not now make an operating profit for the Shipping Board, then something is rotten in Denmark.

The very statement is an indictment against the honesty and the integrity and the patriotism of those men, which puts them down with the thieves and the thugs of this land or any other land.

I think that Mr. Rossbottom has demonstrated that if the Government has to do it, it can pursue the policy declared in the Jones Act. The Jones Act said, "Here, you have a great number of ships belonging to the Government, obtained at a vast cost to the people, and you have got to do something with them," and that act directed, first, that they sell the ships if possible to American citizens, but that in selling them they must not sell as a debtor forced to sell at a sacrifice, but at a fair world market, and it then directed if they could not sell them to charter them to private operators who will pay a proper price to the Government for them and operate them as charterers. And then directed that if they could neither sell nor charter the ships, then the Shipping Board should put those ships into operation themselves, and with their operation establish such lines of trade as the commerce of our country needs to help build up our commerce and our trade with the world. That act provided that if they could not get private capital to either buy or charter the ships to operate, say, between here and the Argentine, if that is a desirable route, they were then to put them in and operate them themselves.

That is a clear policy, an affirmative policy, but it has not been pursued.

That act provided that if they could not get private capital to buy or charter ships to go between New York and Liverpool they were to put them on that route themselves and operate them. They were to continue to operate them along those lines until they had so well established the trade that private capital would come and buy out the line. It also provided that if they could not make a line profitable they would stop the operation of the line after its failure was demonstrated. It was a clear, strong policy.

Mr. GRAHAM of Illinois. Mr. Chairman, if the gentleman will permit, here is the thought in my mind along that line: How can you interest private capital in buying a line of that kind if constantly over them is the threat of the Government possibly competing with them?

Mr. HARDY of Texas. There never was any such threat. I am very glad that the gentleman has asked that question, because the Jones Act answers it by providing that any line established should be sold to citizens as soon as a buyer could be found.

Here is a line, we will say, to Habana, Cuba, from New Orleans. We think that the commerce of the country demands that line. Nobody is willing to buy a ship from the Government and put it on that line. Nobody is willing to take the chance of its being prosperous enough to warrant their chartering the ship. Therefore we say to the Shipping Board you start that line. As long as losses are being incurred no one would expect anyone to come and buy it, but if they finally establish the line as a profitable line then private capital will want to buy it, and the Jones Act directed the board to sell it to them, and the Government then goes out of that line.

Mr. DAVIS of Tennessee. I would state in that connection that one of the Shipping Board witnesses—I believe Mr. W. J. Love, one of those \$35,000 experts—stated that there were no Shipping Board vessels at all now being operated in competition with any private lines; that they had taken off all that were in competition with any private line.

Mr. HARDY of Texas. That is true. The Shipping Board is so sensitive to private ship-owning interest that they always place that above the interest of Government ownership.

But I want to discuss another feature of this bill. Its advocates say that we must have a subsidy in order to compensate for the difference in wages paid to American labor and to the labor of other countries. Here is an article written by Daniel J. Sullivan, and read at the Society of Naval Architects and Marine Engineers held in New York November 8, 1922. Mr. Sullivan is an advocate of subsidy, but I want to read some of the things that he says in answer to some of the arguments that are made. He says:

So in the efficient operation of any ship, every person who has had a part in designing, in building, and then in operating that ship is responsible for his part, and if each and every one has produced perfect results, then the result as a whole should be perfect.

In theory this is true, but in practice we find too many exceptional conditions, which expression has been used to cover a multitude of blunders in the past, as well as in the present. So in the study of this subject we must admit to ourselves that each of us is responsible for the results attained and that on the blunders of the past we can erect a perfect organization for successful operation.

Further:

In studying the cause of the gain or loss of the supremacy of the seas, it appears to be true that the nation which can build ships for less than others, and whose vessels can transport cargoes faster and cheaper than others, will rule the seas.

Mr. Chairman, if we do not reach the point where we can build ships in America as cheaply as they can anywhere in the world, we will never rule the seas. If we do not reach the point where we can transport commodities as cheaply per unit of freight as any other nation in the world, we will never be supreme on the seas. I want to call your attention to the fact that those who can build the ships for less than others, and whose vessels can transport cargoes faster and cheaper than others, will rule the seas, and until we make up our minds that with all of the advantages that the immense cargoes this country furnishes, the United States can build and operate ships in competition with the world, we will never get anywhere on the seas.

But now they say, leaving out the question of building, leaving out the cheapness of the ships, we can not operate them because of the greater cost of our labor in running the ships. It is absolutely necessary for the subsidy advocate to make that contention to-day, because we are going to give the American ship buyer the cheapest ship in the world. Is the labor-cost claim honest and candid or is it a mere pretext?

Mr. Chairman, we passed the seaman act in 1915, and one of the great purposes of that act was to equalize the labor cost on foreign and American ships. It is too large a subject to go into here, but I make the positive assertion that since 1916, when the seamen's act went into effect as to foreign ships in our ports, the wages of seamen on American and foreign ships entering and leaving our ports have been practically equal. The Labor Review of October, 1919, of the Department of Labor, proves this. Moreover the entire wage cost of a cargo ship is only from 8 per cent to 12 per cent of the whole operating cost, and any difference in that cost therefor is negligible.

Subsidists have even tried to make the public believe that the difference in subsistence cost requires a subsidy.

Now let me give you what Mr. Sullivan says about this. He compiled the actual cost of the different elements of operation. Here are three different ships, and the cost of operation is not the same on any two ships. An efficient manager will cut down the cost where a poor one will increase it. What do we find? I am going to give the whole of this table. Here it is:

#### EXHIBIT A.

##### Efficiency in the operation of steamships.

	Example A.	Example B.	Example C.
	Per cent.	Per cent.	Per cent.
Fuel.....	23.6	29.9	27.9
Stevedoring, tally, watching, clerks.....	20.6	16.0	22.9
Wages on ship.....	11.2	14.4	13.0
Insurance.....	10.4	8.1	12.0
Wharfage.....	7.7	1.9	2.2
Agency and brokerage.....	4.9	3.4	2.7
Grain fittings.....	3.1	2.9	.....
Food for crew.....	3.0	3.0	1.4
Stores department.....	2.0	2.9	2.9
Stores engine department.....	2.5	3.4	3.6
Stores steward department.....	0.2	0.3	0.25
Advertising.....	2.4	0.4	0.3
Towboats.....	1.8	1.5	1.4
Pilotage.....	1.3	1.3	1.4
Port charges.....	1.4	1.8	1.6
Repairs.....	1.6	5.1	3.6
Miscellaneous.....	2.1	3.5	2.6
Laundry.....	0.2	0.2	0.25
Total.....	100	100	100

Take Example A: Wages, 11 per cent, and food for crew, 3 per cent, makes 14 per cent as total cost of food and subsistence for the crew. The other items make up 86 per cent of the total cost of operation. Now let us get his figures comparing American and British wages of officers and crew. I want to show you. This man who favors this bill gives these facts, and I am going to put them all in.

Wage scale effected on July 1, 1922.

	Private owned American actually paid.	British.	
		£.	\$4.40
Master.....		£45	\$198.00
First mate.....	\$150.00	21-10	94.60
Second mate.....	125.00	16	70.40
Third mate.....	100.00	13	57.20
Wireless.....	90.00	13-10	59.40
Carpenter.....	45.00	12-10	55.00
Boatswain.....	45.00	11-10	50.60
A. B. seaman.....	35.00	10	44.00
Ordinary seaman.....	25.00	5-10	24.20
Chief engineer.....	240.00	24-10	107.80
First assistant engineer.....	150.00	20-10	90.20
Second assistant engineer.....	125.00	16	70.40
Third assistant engineer.....	100.00	13	57.20
Deck engineer.....	45.00	11-10	50.60
Oiler.....	40.00	11	48.40
Fireman (oil).....	35.00		
Fireman (coal).....		40.00	10-10
Wiper.....	25.00		46.20
Coal passer.....		35.00	10
Steward.....	100.00	90.00	14-10
Cook.....	80.00	75.00	13-10
Baker.....	45.00	60.00	9-10
Messman.....	35.00	40.00	8-10
Mess boy.....	35.00	35.00	47.40

Gentlemen, I hope you will read these tables, that do not come from me and do not come from an opponent of this bill, but come from a man supporting this bill. You will find the difference in labor cost on an American and British vessel is just the difference between tweedledum and tweedledee. Our ship officers get some more pay, while the crew generally get more on the British ship.

Mr. J. M. NELSON. It is higher than Sweden?

Mr. HARDY of Texas. The able seamen and ordinary seamen get more on Danish and Swedish ships than on our ships, but our officers get more. Put the two together—that is, officers and unlicensed members of the crew—and the aggregate labor cost on a British and American ship are practically the same, and the Swedish and Danish ships also are nearly equal.

Mr. J. M. NELSON. Did not Mr. Hurley, after viewing conditions in Europe, come back and report to the Shipping Board that the labor cost was about equal?

Mr. HARDY of Texas. Every impartial man who has investigated it tells the same story. The difference is small, and here is a man who stands for this bill and yet admits that the wages of seamen are higher in Great Britain and Denmark and Sweden than they are here, and they are our competitors. Mr. Sullivan makes one statement I want to impress on you. He says:

From a study of the data available, the writer is of the opinion that American ships can be made efficient and, excepting the excessive first cost, depreciation, and overhead expense, can hold their own against any competition. To accomplish this result there should be closer relations between the executives of companies and the masters of their vessels. Masters should be selected for their efficiency and given absolute authority over the operation of their vessels. Chief engineers should be selected likewise and given absolute authority over their own department. The master should be furnished with complete cost data so that he can remedy high cost over which he has control and show the owner the excessive cost over which he has no control.

In the statement just quoted Mr. Sullivan strikes at the very root of the alleged inability of American ships to compete. They simply need efficient and economic management, because we now have to give to our shipowners the lowest priced ships in the world.

Mr. Chairman, the Shipping Board will probably sell the ships in time to the American capitalists, perhaps to a syndicate, who will distribute it and dominate it and make a combination of it. I think we are making a mistake in refusing to sell to anybody but Americans. The United States had 10,000,000 tons of shipping that cost the people \$3,000,000,000. I would not let these ships rot; I would put them on the market, and say to the Americans, "If you do not buy I will sell them to anybody who wants to buy them," and when I got the money I would put it in the Treasury. I would then operate the ships that I could not or did not want to sell, for the benefit of American commerce, to take the products of the farmers of this country to all the markets of the world as cheaply as any competitor can do it. I would put Rossbottoms in charge to run



these ships until American capital gets tired of waiting for the carcass to stink and ready to pay what this property is worth. You can not expect private ship operators to come and buy ships as long as they can get them for nothing, as they can apparently from the present shipping policy. Let us have a little sense. If an American wants to buy the ships, I would give him the preference, but if he will not buy I would sell to somebody else, and when he gets ready I would let him buy the ship of me or anybody else. If the American ship operator after awhile comes to the conclusion to buy that ship elsewhere, I would say to him, "You go and buy that same ship from that party who bought it from me and bring it here and put it under my flag." By all means let us sell these Government-owned ships if we can do so, and at the same time keep up all our essential trade facilities and lines, but let us not so limit the sales that we practically prevent any competition among buyers.

When we shall have sold all the Government's ships, I would say to the shipbuilders of the United States, "You are full grown; get out and compete with the world." [Applause on the Democratic side.]

Oh, that is the only salvation for our merchant marine. Let your American commerce be free. Knock the shackles from off your merchant marine. Give us the same right and liberty on the ocean that every other nation has, that England has always asserted; give us the same privilege that England gave her people when we sold them 800,000 tons of our shipping during the Confederate war. Give us the right that England gave her marine interests when we were building cheaper and better ships here than she could build. She said, "We will give you the right to buy your ships in America."

With our supply of coal, unequaled anywhere else in the world, our shipbuilders should go ahead. With our oil supply, enabling our ships to operate with oil burners, with all our fuel here cheaper and more plentiful than elsewhere, with our oil selling at \$7 a barrel in Shanghai and selling at \$1 a barrel here—with cheaper fuel, I say, and cheaper everything except human labor, and that only a difference between tweedledum and tweedledee, if we can not be free men now and compete we shall never be free men and compete. It is time for America to awake. It is time to quit allowing the American Steamship Owners' Association to dictate a policy of graft to the United States. It is time for us to go out into the world and compete in shipping, because we can not do otherwise and survive. Gentlemen, it is not right. You do not want to impose this burden.

They say this is a tariff proposition. No, it is not a tariff proposition. My friend from Tennessee [Mr. DAVIS] and I differ a little on that proposition. He says one thing that keeps us from operating our ships is the fact that our tariff laws keep us from importing anything, and that our ships that go out laden must come back empty on account of the tariff. That is true, but the same situation is met by foreign ships trading to our ports. They, too, must come here empty. It applies to both of us. The difference is very plain between a subsidy and a tariff. A subsidy is a bounty. We tried it once in sugar. We said our sugar growers needed aid, but we said the people needed cheap sugar. We said if we put sugar on the free list the Louisiana cane growers and the beet-sugar men would be bankrupt. But the people would not stand for high-priced sugar produced under a high tariff, and therefore we tried to satisfy the people by free sugar and the sugar growers by a bounty, but the people would not stand for the sugar bounty.

Gentlemen, give us free ships. Give to the United States, to the American, the opportunity to go in and compete, even while paying higher wages. From 1830 to 1860, though paying higher wages, we built better ships; we sailed them all over the world. We can do it again. But we never will do it as long as the ship owner thinks that there is pap in the Treasury of the United States that he can get.

The elements of success in competition are full cargo, quick voyage, quick turn-round, safe navigation, small repair bills, economic appliances, economy in handling cargo on ship and shore, good business connections, and good business management generally.

In comparison with these, the wages paid, even the higher first cost of the ship, are minor matters.

But any owner can make as quick trips, secure as good cargo, and do all the things that give success just as well when he pays only \$60 per ton as he could if he should pay \$100 per ton for that same ship or one just as good. Therefore he buys the cheaper ship, and under our law if that ship is foreign built he must put it under some foreign flag. J. P. Morgan, Robert Dollar, or P. A. S. Franklin will not pay more for his ship just to put it under our flag. That is the whole story of our flag

disappearing from the foreign trade in the years between 1865 and 1914.

Inability to compete never drove our flag from the sea, but unwillingness of sensible men to pay more for a tool to work with than they had to pay, did. The remedy, the only remedy, is to give our merchantman the right to buy the cheapest ship he can find, and put it under our flag, with all the rights and privileges of an American vessel.

I wanted to dwell at some length on the Shipping Board powers under this bill. I can only mention some of them. What are those powers?

Mr. J. M. NELSON. Will you review those?

Mr. HARDY of Texas. Yes. They have the right to say first to the big man or to the little man, "We will not give you a dollar of subsidy; or we will give you a double subsidy." Here is a ship line that runs in competition with you, and they will say, "We will give them a half of one cent on each ton per hundred miles, but you can not get a dollar." They will say, furthermore, to this corporation, "If that is not enough we will double it. We will give a cent a ton for each hundred miles." They will say, "Here is a company that has a big passenger ship. Two and a half cents is not enough for them. We will give them five cents." All that is absolutely in the discretion of the Shipping Board. It says to this man, "Live," and he lives, and it says to that man, "Die," and he dies.

Then, further, when you have one of these ships belonging apparently to the American people, but really belonging to the Shipping Board—we thought we owned it, but really it belongs to the Shipping Board—if Mr. NELSON comes along and says "Here is a 2,000-ton ship, and I want to buy it," they may refuse to sell it to him, but here is a corporation they wish to favor, and instead of selling it to Mr. NELSON for \$250,000, according to Mr. NELSON's offer, they may sell it to a corporation for \$125,000. It is so outrageous a situation that there is no comparison with anything ever existing before. They can go ahead and act as though they were the Treasury Department and determine what the real profits are, under rules prescribed by themselves.

Not only that but when you have passed this bill they will never come to Congress for an appropriation. They will have a revolving fund of \$125,000,000 there that they can do as they please with. They can loan this fund to their favorites at 2 per cent, and all this without coming to Congress, simply by Mr. Lasker drawing his draft on the United States Treasury.

Ten per cent of all the tariff duties that you collect at your customhouses does not go into the Treasury of the United States, except as a special fund which you can not touch for any other Government need. You might want money with which to enforce prohibition, but you can not touch this 10 per cent. That money is paid out on warrants of the Shipping Board, and the Treasury is bound to validate them.

Mr. J. M. NELSON. That is in reference to contracts?

Mr. HARDY of Texas. Yes; the 10-year subsidy contracts to be made by Chairman Lasker. If you pass this bill you turn the birds of prey loose to fly in the free air of heaven and incur any expense that it seems proper to them to incur, limited only by the amount of revenue set aside.

Mr. J. M. NELSON. What about contracts?

Mr. HARDY of Texas. Why, if you pass this bill the Shipping Board can make enough contracts in a year or two years or three years' time to tie a millstone around the Treasury's neck for 10 years.

The people may get sick of the law and want it repealed. Can you do it? No; because by the terms of this bill you permit this Shipping Board to enter into a contract with the Standard Oil for 10 years, by which the Standard Oil will be given one-half of 1 cent, or 1 cent, for every ton per 100 miles traveled in transporting its own commodity. It can do the same thing with the Steel Trust. It can do the same thing with railroad-owned lines. This Shipping Board can contract with every passenger ship that runs or can run 23 knots to pay that ship 2½ or 5 cents per ton per 100 knots for 10 years. It can give that great subsidy to one-line or one ship and refuse to give any subsidy to another.

Suppose you have got in competition a very extensive shipping line of fast passenger ships. You want 5 cents per ton for every 100 miles. They may say, "We think it is reasonable," and then they give you a contract for 10 years to give you 5 cents per ton per 100 miles. Then suppose they refuse to give your competitor any subsidy whatever. That means you will have no competitor; you can have no competitor.

The *Leviathan* seems to be destined to some great ship company on which perhaps the Shipping Board even now has its favoring eye. And there is talk of building two more ships even bigger than the *Leviathan* out of the 2 per cent, \$125,-



000,000 loan fund. Suppose you try to compute the aggregate subsidy that will be paid to these three ships under a 10-year contract at 5 cents per ton per 100 knots.

A company owning these three ships alone can draw from the Treasury between thirty and sixty million dollars in 10 years, at 2½ cents per ton per 100 knots. After these contracts are signed under this bill the people may squirm, but they are helpless. The Government will be bound for 10 years from the date of any contract the board may hereafter make.

Gentlemen, when you pass this bill you put your hands together and tell the Shipping Board and the big Shipping Trust, "Put the handcuffs on me, and bind me forever and ever." As soon as this bill is passed they will make contracts for the 10 years, but whenever they see an agitation in Congress for the repeal of this law they will make renewal contracts, they will abandon the old contract and make others to operate for 10 years from the date of the new contract. If you ever repeal this law you will find every contract made for 10 years extending from about the time you repeal the law, and you will have it in force for 10 years after the repeal.

Mr. J. M. NELSON. Would we not have to pay in the Court of Claims, even if this were broken, where there were damages on account of contracts, in honor as well as legally?

Mr. HARDY of Texas. It might be called damages. It would be a straight contract that we pay that subsidy for 10 years from the date of the contract, whatever the date of the contract was, provided it was during the time when this law was on the statute books. If the law expired the next day, and the contract was made for 10 years, the contract would be good, and we would be bound to pay it in conscience and in law. The Government might say it was deceived and defrauded into passing the law and repudiate its contract, but I take it that the United States will never do that.

Mr. GERNERD. What did our Government pay to Great Britain for every soldier she carried across in her transports, and what did that amount to?

Mr. HARDY of Texas. I do not know and I do not care. I know that we paid what we had to pay, and I know that if you will get the figures you will find that Great Britain did not charge us as much as some of our own shipowners charged us in the Spanish-American War for the use of the old hulks that we then had.

Mr. GERNERD. My recollection is that we had to pay \$57,000,000, or \$183.50 per man.

Mr. HARDY of Texas. The gentleman will have to verify his own figures.

Mr. GERNERD. I thought you knew.

Mr. HARDY of Texas. It is a matter to which I have paid no attention.

Mr. GERNERD. I think it is important.

Mr. HARDY of Texas. I will wager you that if we hired ships of any American shipowner, we paid him as much as we did the British shipowner, but that matter does not bear on this bill.

Mr. GERNERD. Here is another question.

Mr. HARDY of Texas. Does it bear on this bill?

Mr. GERNERD. Exactly. I think it is mighty important.

Mr. HARDY of Texas. Go ahead and be quick.

Mr. GERNERD. You said there was no free competition, and that you desired to have free competition. Now, why was there not free competition in shipbuilding prior to 1914?

Mr. HARDY of Texas. My friend, if you have not heard that, you have not heard anything I have said.

Mr. GERNERD. I have listened to you.

Mr. HARDY of Texas. I said that the United States passed a law under which no ship could fly the American flag unless it was built in the United States. Perhaps the gentleman does not know it, but that law was on the statute books until 1914.

In 1914 we permitted them to come under our flag to engage in the foreign trade. That law, absolutely prohibiting an American from buying his ship where he could buy it cheapest, killed our merchant marine, and that law, if continued, will kill it again. Not only so. We put shipbuilding material on the free list in 1914 or 1915, and your last tariff act puts it back on the dutiable list, and you are going to travel the same old pathway that you trod for 60 years, which will result as it did before in the destruction of your merchant marine. That will be the fate of the American merchant marine if you let your party adopt the policies that you seem bent on adopting now. You are going to adopt a policy that will kill the American merchant marine naturally, and then you are going to depend on riding on the backs of the people to support an abnormal and unnatural enterprise—that is all. [Applause.] Gentlemen, you can not do it.

Mr. J. M. NELSON. May I ask the gentleman to give his opinion as to the value of tax exemption to the shipowners and the value of the 5 per cent to the shippers?

Mr. HARDY of Texas. It was claimed prior to the World War that we were paying foreign shipowners an average of \$300,000,000 per year for freight. Our total freight bill now is perhaps twice that much. If this bill should ever be a success, our freight bill at present rates being doubtless twice that, the total freight paid would be \$600,000,000. If this bill is a success and half of our freight is carried in American bottoms there will be \$300,000,000 of freight money paid by American shippers to American shipowners. Five per cent of that sum would be \$15,000,000 a year, and that \$15,000,000 a year is what the great big capitalists, the shippers, would deduct from their income taxes otherwise payable into the Treasury of the United States, and I do not doubt that that feature of this bill will keep from going into the Treasury, which is the same as taking it out of the Treasury, \$15,000,000 annually on these deductions of taxes. Now, what was the gentleman's other question?

Mr. J. M. NELSON. The total value of the tax exemption to the shipowners on all the foreign freight, which Senator RANSDELL says is a billion dollars, and which the committee says is a fabulous amount.

Mr. HARDY of Texas. He says it is a billion dollars earnings?

Mr. J. M. NELSON. Earnings.

Mr. HARDY of Texas. If I remember aright that is an exemption going to ship operators from any tax on any of their income.

Mr. J. M. NELSON. On European trade.

Mr. HARDY of Texas. Yes. On any of their income from the overseas trade. Now, they are not required to pay any tax on that income. A big overseas shipping line may earn a million dollars per year clear profit. If it earns it in the foreign trade, it is not required to pay any tax on it.

In other words, it operates so that ship corporations engaged in foreign trade will escape all income taxation of the Government of the United States. Mr. Lasker himself said that the indirect benefits of the bill were incomparably greater than the direct benefits. The subsidy is the direct benefit. The tax exemptions and forced Government patronage and other features are the indirect benefits. There are indirect benefits of many kinds, and he says that they are more than the direct. We know or can compute what the direct benefits are. There are annually \$450,000,000 of customs, and 10 per cent of that is \$45,000,000, and that all goes to subsidy, and there are other sums specifically set aside for subsidy.

Gentlemen, there is no way of estimating what the bill will cost the American people as a whole, but the most careful and conservative estimate I can make is that it will be between \$75,000,000 and \$100,000,000 a year.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. J. M. NELSON. Will the gentleman give us an estimate of the transport service?

Mr. HARDY of Texas. You mean for the Army and Navy. I have understood that the transport service would represent a profit of \$6,000,000 a year, but I am not definite about that.

Mr. EDMONDS. The transport service will not cost that sum.

Mr. J. M. NELSON. The mail services are in the thing, too?

Mr. HARDY of Texas. They are to take the place of the present mail subsidy.

Mr. J. M. NELSON. The foreign secretary says that it will amount to \$6,000,000 in this country. Is that correct?

Mr. HARDY of Texas. I expect it is.

Mr. EDMONDS. The gentleman is incorrect. This bill does not put any mail service into the subsidy. The amount involved is \$1,800,000, but that goes direct to the ships, as it does now.

Mr. HARDY of Texas. The whole mischief of the business is that you turn it loose and you have no control over it; the amount to be spent can not be controlled by Congress. And yet the bill does not give even the Shipping Board any control of rates.

Now, there is one other thing. Under the terms of this bill the great transcontinental railways that control all the freight going out of this country may become the owners of great ship lines, and the great ship lines were in combination before the war began and they will be in combination hereafter. The lines running from New York to Seattle, to San Francisco, the Southern Pacific running up to San Francisco will own their conjunctive steamboat lines, and your independent shipowner, if there ever is any such, will have no more chance than the



snowball in that tepid or torrid and far-famed country below. [Laughter.]

Mr. J. M. NELSON. Did not Mr. Munson find that before we went into the war these shipping lines did not compete?

Mr. HARDY of Texas. We got undisputed proof, when the Shipping Board bill was before us, of that fact; that every line was in the combination, and if you pass this bill the great railroad lines of the country will combine. They will buy the shipping lines, and when they buy them the European and the American shipping lines will combine, and there is no power in this bill to regulate the freight rates. They will fix the rates themselves and ride the people to death.

Mr. EDMONDS. There is nothing in the law to-day that prevents the great railroad lines from that.

Mr. HARDY of Texas. I do not think there is, but there ought to be. Instead of making things better you are making them worse. [Applause.] Up to to-day there was no one power that owned such a vast number of ships that could turn them over to one combination of capital. I mean that under this bill the Shipping Board may turn over from seven to ten million tons of shipping to one syndicate or combination.

Mr. J. M. NELSON. There was some bar against railroads owning ships passing through the Panama Canal.

Mr. HARDY of Texas. I do not know whether that is repealed by this bill or not. A rail-owned ship can not now go through the canal unless the present Congress has repealed that law. If it has not it will do so, I think.

Mr. J. M. NELSON. What is the value of the preferential rates to the railroad?

Mr. HARDY of Texas. I have not time to go far into that, but it will enable the railroads to route all foreign commerce over their ship lines. The railroads in order to favor a particular shipping line can give preferential rail rates to goods going by their ships and refuse such preferential rates to goods carried by other ships. If you have an independent ship it does not get the benefit of the preferential rates fixed by the railroads. The fact is you have got the Government now in one concentrated body owning 10,000,000 tons of shipping that it is ready to sell. You have got the great railroads concentrated in management and operation, and we have heard a capitalistic official who says it is likely that a great syndicate can be formed to buy the ships in part or in whole. You make conditions under which the railroads can easily combine and a great syndicate can go to the Shipping Board and make them an offer to take these ships and that will automatically throw the ships under the management of this vast combination which can fix the rates at their sweet will, and they will do it to the oppression of the people, and you do not reserve one single thread of authority to regulate or mitigate these rates by this bill. There is nothing else but a sure prospect of combination, monopoly, and outrageous oppressive rates governing the freight of the American goods by these lines which will go to the Japanese, the British, the French, and the German lines and combine with them, and nothing will prevent them from fixing the rates at their own sweet pleasure in order to levy on the American people the tribute that commerce must pay.

It is the old story—tax the traffic all it will bear and then go into the Treasury and get what you can out of the Treasury by virtue of your tax exemptions and your subsidy. [Applause on the Democratic side.]

Mr. Chairman, with a subject too vast and varied in its aspects for any brief presentation, and with interruption frequent and welcomed, my discussion has been desultory and disjointed, but I have done the best I could to give to the public such high lights as may expose the most vicious features of the bill. I have for 10 years had a vision of an American merchant marine, self-sustained; in giant strength breasting the seas bravely, meeting and conquering the competition of the world. Pass this bill and my vision vanishes, our merchant marine shrivels to a milk-fed, puling baby and dies. Defeat it and pass a law to give us free ships and the dawn of our commercial and maritime supremacy is here—my vision comes true. [Applause on the Democratic side.]

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 25 minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman, after listening for a couple of days to the discussions of the bill, the inaccurate statements that have been made lead me to believe that I am meeting the Democratic campaigners out in the field. It is the same old cry, the same old story, when you listen to any kind of a debate. Either the opponents to this bill willfully misrepresent the figures and the facts or carelessly state them without making a search. There is another peculiar thing to which I would direct your attention. If you make a little study of where the opposition to this bill lies, on either side of the House,

you will find that 90 per cent of the opposition lies in the States that will pay only about 10 per cent of the subsidy, whether that subsidy be \$50,000,000 or \$300,000,000 a year. It is a rather significant thing to me to hear the cry of sectional benefit raised from a section that does not pay but a fraction of the subsidy, from a section of the United States that has been the chief beneficiary of more direct Government subsidy since they have been opening it up than all of the rest of the country together. It would seem to me that if those arguments were true that the East and the Coast States were going to be the chief beneficiaries of this subsidy, that your generosity ought to go to the extent of permitting us to pay our own bills, because I will show you by the figures before I am through that you people who are raising the loudest noise in objecting to the passage of this bill will pay, per capita, the very least of anybody. In Tennessee and in Texas and in some of the States where you are crying aloud against it your people will not pay more than one-third of what it will cost the people in my State and in New York, Pennsylvania, and Illinois.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BEGG. No; I can not yield. The gentleman consumed three hours and would not yield to me yesterday. When you are making a speech and have no thought of being checked up, it is the easiest thing in the world to cry graft and scandal. The gentleman from Tennessee [Mr. DAVIS] yesterday in his remarks said that if this bill were passed there would be the greatest scandal ever in American history grow out of the Shipping Board. The thing that puzzles me is how he knows that fact. There is no argument in such a statement. It seems to me it is about time that men who come to Congress begin to vote as they believe, and not be influenced by scare headlines or scare speeches about scandal and graft, and the hearings are full of graft and scandal talk. The man who is always hollering scandal and graft is the man that I want to watch. I think the Members of this Congress are honorable and honest men, and with the man who does not agree with this bill I have no quarrel, if he is honest and conscientious; but I do not like to see anyone as prominent as the gentleman from Tennessee try to scare the public mind by crying that there will be a scandal and that it is an open bid for graft. He owes it to the country to prove his case or withdraw such statements. Such thoughtless statements from a distinguished gentleman like the gentleman who made them brings the whole Government into disrepute with the uninformed class.

The statement was made on the floor the other day by the minority leader [Mr. GARRETT], and, I think, by the gentleman from Tennessee [Mr. DAVIS] yesterday, in arguing the question of the rule, that if the President were correct in admitting that the Government under Republican administration is unable to operate the merchant fleet without a loss, it is a sad commentary on Republican efficiency. On the contrary, it is the highest eulogy, because the figures, which are an open book to any man, show that the Shipping Board is being operated at a cost of about \$7,000,000 annually less than it was under the gentleman's own party, and yet even in the face of the economies that are being practiced, even in the face of every kind of cut that has been made, we are running behind at the rate of \$50,000,000 a year.

Under the Democratic administration there were 8,324 employees and at the present time there are 4,479, and that means a saving annually of \$7,628,677 in salaries alone. If you call that Republican inefficiency, what adjective would describe the management under the Democratic control?

We have had enough of Government ownership to eliminate that. We have the merchant marine, and the question to be decided is not whether we will acquire a merchant marine. The only question that is before this Congress is, What will we do with that which we have? The fact that the war produced the merchant marine is conclusive proof that if we have another war we will have to have a merchant marine, and it seems to me that we should not put it into the discard. The only question is, How will we continue to maintain and build up the merchant marine which we already have? With those who advocate Government ownership of public utilities, I have no quarrel. The United States Government every time that it has touched a public utility in the way of operation and control has been successful in making it expensive and inefficient, and until we can demonstrate that Government control of great utilities is both economic and efficient, I stand on the side of private operation of all public utilities. That being true, there is nothing to do other than get rid of this fleet. The opposition has offered no solution but contented themselves with destructive criticism. That never solved a problem.



I would like to ask the gentleman from Texas [Mr. HARDY], who is opposed to this proposition, why it is, if it is possible to operate this fleet without a subsidy, that never before has any man been found with astuteness for finance—and we have produced some of the greatest financiers in the world—sufficient to induce him to go into the shipping business and make a success of it on a big scale. That answers the whole proposition itself. If American ships can be operated without a subsidy, and pay two or three times the wages of other nations, their competitors and they subsidized, why have not men invested their capital and gone into the shipping business?

Mr. HARDY of Texas. Does the gentleman wish an answer to that question?

Mr. BEGG. Oh, I heard the gentleman speak for two hours, and I could not get any answer to that.

Mr. HARDY of Texas. Then the gentleman does not ask the question with the view of having it answered.

Mr. BEGG. It would seem to me that American business would have produced some man with genius enough to operate this fleet during the past 100 years. Remember, the United States flag flew on the seas alongside that of every other nation on the globe at one time. After the invention of the steel ship the United States was driven off the seas because of the competition, and we are now confronted with the proposition of maintaining the flag on the seas or seeing it disappear again. Let me put this proposition to you: Suppose I were to go into business alongside of some other man in New York or Philadelphia—and I am perfectly willing to take any one of the great businesses of either of those cities. Permit me to do his hauling of the different articles he offers for sale from the point of shipment, the dock or the freight house, and at the same time let me compete with him in the running of the store, and I will put him in bankruptcy inside of a year. Is not that exactly the position of the United States to-day? We are in competition with every nation in the world. Are you going to ask Great Britain or France or Italy or Belgium or Japan to come to New York or Philadelphia or Boston and load on the American products and haul them to the markets of the world and sell them in competition with their own? If you do that, then you have absolutely signed your own death warrant economically. If your competitor does your draying and can charge what he will you are at his mercy. The fact is so flagrantly potent that the smallest merchant does not allow his business to become dependent on his competitors' hauling charges. Would Henry Ford let John Willys do his draying and charge what he wanted to? If he would there would be no Ford cars on the market. You men who oppose this bill put yourselves in the attitude of forcing the United States to look to her competitors, Great Britain and Japan, to haul our products to market from our ocean ports. The United States might build up the finest transportation system in the world, but if it stopped at the ocean front she would be a helpless nation pitied by her very rivals for her short-sighted policy.

When war opened the United States found herself in just that condition. No transportation beyond her boundaries. Suppose, men, England and Germany had been allies in the last war, could America have gone to the defense of civilization? Who would have carried her men and munitions? The loyalty of the opponents to this bill must be unquestioned but their ability to visualize the national future can certainly be doubted. Your policy will keep the United States a second-rate world power while the policy established by this bill will make her a world power on the sea as well as on the land, and in commerce as well as in war, and will do more to establish those unselfish American principles and civilization throughout the world than all the other devices of man down to date.

When the Boer War came Great Britain raised the freight rate from New York and Boston to the markets of the world 30 per cent, and if you will take the time to figure the amount of money on the tonnage that passed at that rate you will find that you have enough money to pay a subsidy for the ten years, or for the life of this law.

Mr. HARDY of Texas. Will the gentleman yield for a brief question?

Mr. BEGG. If it is brief.

Mr. HARDY of Texas. Does the gentleman think that American-owned ships under the British flag would play us false also? We had a great many of them.

Mr. BEGG. It is not a question of what I think, and the trouble with the gentleman seems to be that most of his argument is as to what he thinks. Go and look at the freight rates before the Boer War; look at the 30 per cent increase during the war. Go to the Department of Commerce and make the calculations yourself and you will find that we almost paid for

the English cost of the Boer War out of the American cost for our drayage. Are you willing to continue to be dependent?

Mr. HARDY of Texas. Does the gentleman mean to say that in the Boer War the entire ships were British?

Mr. BEGG. All.

Mr. HARDY of Texas. Did the ships owned by Americans charge as high?

Mr. BEGG. Now, in my speech I want to show the cost of this subsidy which would fall on the men defending it or on their State, and I want to give a few figures to back up that statement. The State of Tennessee seems to offer the most pronounced opposition to this bill. The total amount of money paid into the United States Treasury by Tennessee, according to the Treasury reports in 1921, was, in round figures, \$35,000,000, which is one-hundred-and-fortieth of all the revenue. Now, supposing the subsidy is \$30,000,000, the State of Tennessee would pay one one-hundred-and-fortieth of the \$30,000,000 or \$214,286, or 9 cents per capita. I would like to ask the Congressman from Tennessee—you admitted in your speech, every one of you, that the United States must have a merchant marine, and the only argument made here against it, putting it in a nutshell, is this, that now is not the time. I ask you, even though now is not the most propitious time, would you be willing to cripple the whole United States merchant marine in favor of some foreign country for 9 cents per capita tax on your people? Is that the measure of your statesmanship?

Mr. DAVIS of Tennessee. Does the gentleman want me to answer that?

Mr. BEGG. On the other hand, the National Government this year subsidized the State of Tennessee for educational purposes alone \$131,045, which is more than 50 per cent of the total assessment against Tennessee if the subsidy is really \$30,000,000.

Mr. MADDEN. They are paying this subsidy now out of the Treasury of the United States just the same.

Mr. BEGG. They are paying more than that. I am trying to show that the subsidy is not a payment against their State, even though they are not paying it right now. For health for the State of Tennessee they are receiving \$12,978 out of the Federal Treasury. For roads they receive \$6,228,137. What for? To build highways so that the people in Tennessee can have better methods of transportation for their products to the market. We people in Ohio pay taxes to build your roads in Tennessee and subsidize you to get to the market, and yet you are not willing to vote 9 cents levy to enable the Eastern States to get an outlet for their products on the high seas. [Applause.] Even though it would be more benefit to the East than to the West, the whole Nation should be benefited, and the man who argues otherwise is certainly narrow as to his viewpoint in regard to the national welfare. South Carolina pays \$29,000,000, which would be one one-hundred-and-sixty-eighth of the total subsidy. On a basis of \$30,000,000, it would pay \$178,690. She received for educational purposes alone \$105,000 as a direct subsidy from the United States Government out of the Federal Treasury. Alabama paid \$18,000,000 last year, which is one two-hundred-and-seventy-second part of the total amount paid, and her share of the subsidy of \$30,000,000 would be \$110,000. She received out of the Federal Treasury \$129,000 for education alone, and it would seem to me that opposition to a subsidy bill on a basis which makes 5 mills against every man, woman, and child in that State ought to be quiet when they are getting more for one item than it would cost them for the ships. They received for roads \$5,776,000. Where is it to come from? Certainly not out of the taxpayers' pockets of that State alone, but it comes mostly from those States now asking for a merchant marine. Can not you see that by helping get a merchant marine you are making it possible to continue to help educate your children and improve your roads?

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. BEGG. The State of Texas. There is a good deal of opposition from that State. Texas paid \$81,000,000, which is one one-sixtieth of the total revenue. Their part of subsidy would be \$500,000 that the State would be compelled to pay if the subsidy was \$30,000,000. The State of Texas alone received \$200,000 for education, \$23,000 for health, and \$16,000,000 for good roads. Texas's share of the subsidy would levy a per capita tax of 11 cents per annum against her people, or in 10 years \$1.10. Do you men from Texas believe your people would begrudge \$1.10 in 10 years to insure the American flag flying over the boats carrying their cotton, beef, and oil to the markets of the world, or do you think your citizens would prefer to keep their 11 cents annually and then see the British



and Jap flags fly over United States products. Tell them what it will cost and then ask them which they prefer. Would you rather pay tribute to Great Britain and Japan to carry your products to the markets of the world than tax your people 11 cents a head annually? [Applause on the Republican side.]

We have had a good deal of opposition from Wisconsin. Seventy-one million dollars is the total amount of revenue paid by that State in 1921, or one sixty-sixth of all the revenue. Four hundred and fifty-five thousand dollars would be the assessment against the State of Wisconsin if the subsidy is \$30,000,000 and no more. Yet the State of Wisconsin received \$150,000 last year for education alone. In 10 years that would be \$1,500,000, or nearly the cost of four years of subsidy. For health they received \$14,000. For roads they received \$7,400,000 that has been appropriated to build highways in Wisconsin; and if this subsidy bill is passed and costs \$30,000,000 each man, woman, and child in Wisconsin will pay 17 cents in order that Duluth and the lake ports bordering on that State may have an outlet and incentive and inducement to build a boat line that will go through the canal loaded with the grain of the Northwest and dock in Liverpool or anywhere else abroad.

Mr. J. M. NELSON. Mr. Chairman, will the gentleman yield for a question?

Mr. BEGG. I regret I can not yield.

I want to ask the advocates of the Great Lakes and St. Lawrence waterway. Where are you now? There could not be a piece of legislation going on the statute books that could help us out in the West and Middle West more than this. We realize the importance of the Great Lakes and St. Lawrence waterway, but we want men to invest in boats big enough to dock in the ports of the world. Every time a ship enters a foreign port it is entitled to a subsidy under this bill. But if she comes back and sails through the Soo and unloads at any of the Lake ports, she again becomes entitled to a ship-subsidy award. And you gentlemen who are advocating the Great Lakes and St. Lawrence Canal should get awake and realize that this is a distinct contribution to our cause, instead of championing the bit on the theory that it is going to benefit New York or any other particular State.

Most of you men in Ohio and Illinois and New England and New York and Pennsylvania are favorable to this legislation and believe that it is a national asset to build a merchant marine along the line we have outlined. I want to show you gentlemen what it is going to cost us. Take the State of Illinois. She paid into the Treasury \$398,000,000, or one-twelfth of all the revenue collected in the United States. Think of it, one-twelfth of all the revenue came from the State of Illinois. Now, get this: There may be some Congressmen from Illinois opposed to this bill, but I have not heard of them if there are any. But if this subsidy passes and it costs \$30,000,000, the State of Illinois will pay \$2,500,000 of that alone, or an assessment on her people of 39 cents per capita. Now, if the boys from Illinois are not afraid to put a tax of 39 cents per capita on their people to insure the Stars and Stripes continuing to fly on the high seas, why, in Heaven's name, are the boys in Tennessee scared at a 9-cent tax?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GREENE of Massachusetts. Does the gentleman desire more time?

Mr. BEGG. I would like to have more, if I could have it.

Mr. GREENE of Massachusetts. How much?

Mr. BEGG. Oh, 15 minutes.

Mr. GREENE of Massachusetts. I yield to the gentleman 15 minutes.

The CHAIRMAN. The gentleman from Ohio is recognized for 15 additional minutes.

Mr. BEGG. Now, let us take the State of Ohio. It is fair for me to speak of my own State, favorably or otherwise. We paid \$208,000,000 into the Treasury last year, or one-seventeenth of the total, and if this subsidy passes and it costs \$30,000,000, I, by my vote, will help to impose upon my home people a tax of \$1,764,706, or a per capita tax of 31 cents. There has been a good deal said about whether the poor farmer will get anything out of this or not. My farmers are intelligent. My farmers prefer to tax themselves 33 cents per year to having Great Britain and Japan tax them any amount they wish by increasing the freight rates 30 per cent, as they did during the Boer War. Our ancestors fought Great Britain to escape taxation, but the opponents of this bill are fighting their own people to make it possible for Great Britain and Japan to tax us indirectly at will. The people of my district would pay any necessary tax levied by their own Government, but

they refuse, as did their fathers, to pay a tribute even if levied as an indirect tax.

I am convinced that this bill if made a law will be a national asset, and I would be false to my oath and untrue to my constituency and the Nation if I did not do that which I believe to be right, even if some of them, through a lack of understanding, should be opposed to it. [Applause on the Republican side.]

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. BEGG. Yes.

Mr. MONDELL. The gentleman primarily is not looking for a personal life raft, as some gentlemen seem to be doing?

Mr. BEGG. No; I think I have an opportunity of getting more information than anybody in my district, and although it may sound like conceit, I think that my people believe I have the courage to come and tell them the truth; and if you present the facts to my people, that for 31 cents assessment per man they can have a permanent merchant marine over which flies the Stars and Stripes there would not be a single criticism, but, on the other hand, all would applaud my stand. [Applause on the Republican side.]

Take the State of Michigan. Two hundred and seventy-four million dollars were paid into the Treasury by her last year, or one-eighteenth of the total revenue. If this bill passes they will pay \$1,666,667, which is a 45-cent assessment against the people of Michigan for every man, woman, and child in that State; and so far as I have been able to find out, nearly all the Congressmen representing that State believe that this bill ought to be passed. It may be with some amendments; I do not know. But the principle of the subsidy ought to be enacted into law, so that our merchant marine can compete with Great Britain and Japan.

Pennsylvania paid into the Treasury \$598,000,000, or one-ninth. I do not know any Pennsylvanians who may be opposing this bill, but Pennsylvania's contribution under this subsidy would be \$3,303,000, or a 38-cent tax on each man, woman, and child. Now, if the people of Pennsylvania and Ohio and Illinois and Michigan and Indiana are going to be taxed and their Representatives are not afraid to put that tax on, why should Representatives from the other States be afraid?

Now, I want to give you the figures relating to New York: They pay \$1,330,000,000 taxes; they paid that last year, or one-fourth of all the revenues; and if the ship subsidy becomes a law and the cost of it is \$30,000,000, the State of New York alone will pay as her share \$7,500,000. I do not know of any New York man who is opposed to the ship subsidy, because they see first hand what it costs the United States not to own their fleet and not to carry the American flag on the high seas. If this bill becomes a law it will cost every man, woman, and child in the State of New York 73 cents. If this bill becomes a law the State of Massachusetts will make an assessment of 43 cents against every one of her citizenship. Why are you from Texas afraid of 11 cents apiece, and from Tennessee 9 cents apiece, and Alabama 5 cents apiece as your tax for this purpose in the face of the above figures? Most taxes are supposed to be equitably levied. It so happens that in this case it will not be an equitable distribution. And if it is true that the East will be the greatest beneficiaries it is also true that the East will pay two-thirds of the cost of the whole bill, let that cost be what it may.

I want to refer to one other criticism of this bill, and then I am through.

Mr. MONDELL. Will the gentleman yield for a suggestion right there?

Mr. BEGG. Yes.

Mr. MONDELL. The gentleman has already called attention to the fact that we are now paying some \$50,000,000 for the maintenance of the fleet, the small portion of it that we keep on the high seas; so that after all these sums which the people would be called upon to pay are not new levies or new burdens. They are burdens that they now bear in a larger amount, with practically no permanent benefit, than they would bear under this bill.

Mr. BEGG. That is correct. The President brought that out so forcefully and so well in his speech that it seems to me an utter waste of time to discuss that phase of it. I have tried to accept the argument that has been propounded by the opponents of this bill, namely, that it was going to be a tax on the great mass of the people and no benefit to them, and it has been from their own argument that I have tried to prove my case.

Now, I want to refer to something in the testimony. I want to show you some of the kinds of opposition that there have been to this bill. One Benjamin Marsh testified to the extent



of about 30 or 40 pages in the hearings. On page 1608 Mr. EDMONDS asked him this question:

I understood you made the statement this morning before I came here that the President was lending his help to an insidious campaign to rob the people of the United States.

The reply of Mr. Marsh was this:

I denounce the subsidy bill as an insidious steal. If the President indorses the ship subsidy bill, I repeat that the President is indorsing an insidious steal to put over on the American people, and I am going to go all over the country saying that.

In a statement on page 1581, Mr. Marsh says:

Before I get through, I want to read you the letters I have written to the President asking him to do his constitutional duty and prosecute the men who have robbed the Government of scores of millions under the Shipping Board. He has not done it; I do not know whether he will or not; but why is this invitation to graft put in this bill—this mandate to graft, I might almost say?

Here is something he says about us. In speaking of a financial organization that is interested in the shipping business, on page 1576, he says:

And if this financial syndicate were able to get a high bounty or bonus or subsidy, so as to make their business very profitable on their very small investment in ships, which they are seeking to get, it would not be so hard for them to control certain Members.

Mr. MONDELL. Is this gentleman a shipping expert?

Mr. BEGG. He claims to be a farmer, so I understand. His title shows him to be at the head of some farm organization.

Mr. MONDELL. Who is he?

Mr. BEGG. Benjamin Marsh.

Mr. STRONG of Kansas. He is not a farmer.

Mr. MONDELL. A farm organization that exists only on paper.

Mr. BEGG. I can not give you his biography. He is not in Who's Who, and I was not permitted to search the records of the lower East Side of New York a few years ago, so I can not give it. But I want to say this regarding any man who by insinuation or otherwise accuses any Member of Congress or the President of being a party to graft ought to be confined in the penitentiary unless he proves his charge. Such an assassin of character if called to an accounting would be the first to cry, "Free speech." [Applause.] I do not care who he is, he is a cowardly kind of an assassin who never would say that to your face. It is unfortunate that any man in the discussion of any bill will insinuate that there is scandal connected with it, or crookedness, because if there is, and if he himself is a decent American citizen, he will file his charges and bring the man to an accounting.

So far as I am concerned I am convinced that every man on this side and on the opposite side in his consideration of this bill is motivated only by the highest purposes to serve his country best. If I were a member of the committee I would not permit a man to testify like that unless he filed his charges and proved his case, and I would not waste the paper to record his testimony. When he thus insults the President of the United States and insinuates against the men in Congress, it is the easiest and about the most despicable thing a man could do.

Now, in conclusion, let me say that I know President Harding has only the best interests of all the country at heart in coming before us and advocating the passage of this bill. I know he knows that he will probably lose some votes and support in certain sections of the country for doing it. But history will accord to such a man a place who has the courage to do his duty as God has given it to him to see his duty, and I commend President Harding and I honor him and I honor you for voting your convictions regardless to which side those convictions may lead you. But I want to say for my part that I will do anything I can do to lend support to the acquirement of a merchant marine for to-day's peaceful business and commerce, and for to-morrow's war if we have one, so that when another war comes we will not plead to Germany or England or France, "Please come and take our men and our munitions and our supplies." Why, not one-tenth of 1 per cent of the American men and supplies were carried across in the bottoms of the American merchant marine. The greatest nation in the world ought to have every man and every gun and every cartridge of ammunition transported wherever she wanted her flag to go in American bottoms. If we pass this subsidy bill we will have a merchant marine, not simply as good as that of England but the best merchant marine that flies the flag on the high seas; and the best is none too good for an American citizen in these times. [Applause.]

Mr. GREENE of Massachusetts. Mr. Chairman, I yield to the gentleman from New York [Mr. HUSTED] 10 minutes.

Mr. HUSTED. Mr. Chairman and gentlemen, I can add little if anything to the admirable speech just delivered by the gentleman from Ohio [Mr. BEGG]. But I feel I have something I wish to say on a bill of as great importance as the one now before the House.

The main argument against the bill, and in the last analysis perhaps the only argument, is that it taxes the many for the benefit of the few. Well, it is true that the bill does tax the many for the benefit of the few, and if it did nothing more than that the argument would stand. But it does, I think, vastly more than that. It taxes the many for the direct benefit of the few in order that all may indirectly benefit. We have done that frequently, and we know we were justified in doing it because the growth, development, and prosperity of our country are largely attributable to carrying out exactly that policy.

A few years ago, I think in the year 1916, the gentlemen from the Mississippi Valley came before this House and asked us to authorize the appropriation of a large amount of money to improve the Mississippi River. They said the project was for the general welfare, that it was affected with a public interest. Of course, it proposed to tax the many for the benefit of the few. It directly benefited all the people who owned land in the Mississippi Valley, and yet we passed that bill in this House because we knew that though it directly benefited the people in the Mississippi Valley it was an indirect benefit to all the people in our great land to have the magnificently fertile land of the Mississippi Valley reclaimed and turned over to agriculture.

We now are told, as a result of the war, that the money we then provided is insufficient to build all the levees and do all the revetment work necessary to save this section of our country, and I understand that these same gentlemen from the Mississippi Valley are coming back here to ask for more money in order to complete the work, although we know the expenditure of that money directly benefits the few. It will also directly benefit the few in greatly differing degrees. There are some along that river who are much better off than others and do not need Government aid as much as others do. It is exactly so in the shipping world. We passed the beneficial legislation for the people of the Mississippi Valley in order that it might indirectly benefit the whole Nation; but the benefit to the people as a whole is not nearly so clear, is not nearly so sure, as the benefit to all of the people of our land by the upbuilding of an American merchant marine which will give us international commercial contact with all the markets of the world, and which is absolutely vital if we are to market our goods at the best price and the least cost.

I was talking a few days ago with a very prominent admiralty lawyer who happens to represent British shipping interests. He was opposed to this legislation, and he appealed to me to vote against it. He said it was unfair for the United States, with its boundless resources, with its great wealth, to enter the field and drive England from the seas; that England was more dependent on overseas commerce than we were; that she was a little island with little agriculture, and that all her interests were manufacturing; that in order to live she must find markets over the seas; that her overseas commerce was vitally necessary to her. He said in addition to that, "How can you expect Great Britain to pay her debt to the United States if you take away from her the one means of payment, her overseas commerce?"

I said to him, the United States has no idea of entering this field and driving Great Britain from the seas; nothing is further from her thought. We are not animated by the same spirit that moved Germany when she entered on her policy of commercial expansion with the direct purpose of wresting control from Great Britain on the seas if it was possible for her to do so. I said, "Oh, no; we do not expect to monopolize all the commerce of the world; we hope to get a comparatively small share of it; but we do want a merchant marine, in order that we may exchange our products in all the markets of the world on the best possible terms." This is necessary to our continuance as a great commercial nation. The time is past when we can depend on British bottoms to carry our cargoes. In the past Great Britain was the great creditor nation, and we, with all nations of the world, were indebted to Great Britain. It was to her interest to see that our goods were transported to the markets of the world, because when a cargo of American goods went over the seas in British ships it went to pay our British debt. That condition no longer prevails. We to-day are the creditor nation of the world and Great Britain is debtor to us. There is no strong reason now why Great Britain should be so careful, so zealous, so attentive, in looking after our shipping interests. We must now look



after our own; we must protect our rights; we must protect our manufacturers; we must protect our farmers; and we must have our own American merchant marine, built in America, owned in America, manned by Americans, and sailing under the American flag if we are to have a merchant marine which appeals to the virile Americanism of our people. [Applause.]

Mr. Chairman, we once had a great merchant marine. There was a time in the old days, before steam, when our ships sailed the seven seas and carried a large percentage of the cargoes of the world. They were the glory and the pride of the American people. But we laughed at steam. We thought the time would never come when our great clipper ships could be surpassed by any ship that sailed the seas, and when the Civil War came on Great Britain had her chance, and she attained a supremacy, which she has always held, and which Germany alone has challenged. The Great War gave us our chance, and foolish would we be and deserving of the reprobation of future generations if we fail in our turn to take advantage of it and keep our flag where it should be, proudly flying on all the seas and in all the harbors of the world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. FREE].

Mr. FREE. Mr. Chairman, although perhaps my physical condition will not justify me in standing here to-day, yet in view of the experience that California has just had in the matter of transportation, I feel it my duty for just a few moments to say something in favor of this bill. On the western coast we are a long way from our markets. Our markets are on the eastern coast, our products are largely perishable, and unless we can get them to market at the time they are ripe and ready for market they are a total loss to us. In the season that has just passed California sustained a loss of from fifty to one hundred million dollars by reason of the fact that she could not get the transportation to take her products from her land to the markets in the East. There has always been a shortage of refrigerator cars. There has always been a shortage of ventilated cars, and with the strike the combination was such that it was impossible to get to our markets. We turned to the sea because we are on the sea, and yet there we were afforded no relief from the condition that existed. My farmers are for this bill; they want transportation on land and sea, and they want it on the sea in American ships.

My attention was first called to the extreme to which this country was driven a few years ago when I was in the city of Seattle. I met there a manufacturer from the city of San Francisco. I asked him what he was doing in Seattle, and he told me that he was trying to get some goods transported to the Orient. I asked him why in Seattle, and he told me there was no regular line leaving San Francisco for the Orient that would take his goods, and that in order to get those goods to the Orient in time to fill the orders he had to send them from San Francisco to Seattle and then let them lie on the docks at Seattle until a Japanese ship would come along and take them.

While he was there in Seattle such a ship did come, but, owing to the fact that the company that owned the ship was tied up in some sort of way with a company that was antagonistic to this gentleman's company, he had to wait for another ship, and the goods were six weeks on the docks at Seattle before they got aboard a ship to go to their destination. At that time I made a little study of the conditions of transportation in American bottoms; and, bringing that study down to date, I am going to quote some figures.

In 1830 we carried in American bottoms 94 per cent of our imports and 86 per cent of our exports. In 1840 it was a little less—86 and 80. In 1850 it was 78 and 65, and in 1870 it was 33 and 37, and so it went on down until in the year 1910 we carried in American bottoms only 7.5 per cent of our exports and 10 per cent of imports. In a recent normal month foreign ships carried 76 per cent of our exports, while American ships carried but 24 per cent, and of that 24 per cent 19 per cent was carried in ships of the Shipping Board and only 5 per cent in ships privately owned. This decrease from 86 per cent of exports down to 7 per cent and from 94 per cent of imports down to 10 per cent went on while our exports were increasing tremendously. For instance, in 1855 we exported \$193,000,000 worth of goods. Five years later it amounted to \$316,000,000. Ten years later it was \$377,000,000, and each 10 years the exports went up until in 1920 they had increased to \$7,949,000,000. The gentleman from Tennessee [Mr. DAVIS] yesterday gave us to understand that our merchant marine had kept pace. Perhaps he said that it did not decrease. What does it matter if it does not decrease, if it does not increase proportionately to the increase of exports and imports of the

United States? If you have a city of 10,000 people, with homes to house them, and the city grows to 100,000 people and you still have the same number of homes, you are not taking care of the conditions.

That is the condition in which we found ourselves when the war came on. We then hurriedly built our fleet. True, it is not a rounded fleet. We have lots of slow-going cargo vessels, but we are short of good passenger vessels and we have practically no refrigerator ships. Out of the vessels that we have we have only 16 that will go 15 knots an hour, so taking that fleet as it is it is impossible for the Government of the United States, without spending a lot more money, to ever maintain it as a Government owned and controlled fleet.

This experiment of a partially balanced fleet, carrying but 19 per cent of our trade, nevertheless was costing when this administration went into power \$16,000,000 a month, and through the care of the present Shipping Board that has been reduced to \$4,000,000 per month. Some 4,000 employees have been discharged, useless in most instances. I am a member of this committee, and I admire the frankness of the members of the Shipping Board in exposing the weaknesses of that board, and I think the Shipping Board is to be commended for what they have done in bringing down this tremendous cost and endeavoring to do what they can for an American merchant marine.

I think there is no question but that all of us here want an American merchant marine. We have tried private ownership and it has failed. My good friend from Texas [Mr. HARDY] goes on in a theoretical way to tell us that we will somehow have it, but we have not got it. The merchant marine has declined for 50 years. Then we tried Government control and Government ownership, and that was a failure. In my judgment it is a failure for this reason: I do not believe that any company or Government can handle a merchant marine unless it has the right to buy cargoes to bring back in its ships, and the Government of the United States may send out its ships loaded, but they come back empty because the Government can not buy cargoes and bring them back.

If those cargoes are sold for no greater amount than merely enough to pay the freight, in addition to the actual cost of the cargoes, they come out whole on the cargo; thus the private concern can outmaneuver the Government owned concern. Both private ownership and Government ownership have failed, and so we have left Government assistance to privately owned boats. Who will benefit by this? A great deal has been said about the farmers. I know that my farmers will benefit because they will get transportation which they need. Glancing casually over the exports of this country I was surprised to find that for over 50 years over 50 per cent of the exports of the United States have been farm products. In 1855 they amounted to 77 per cent, in 1860 to 82 per cent, running down to 1900, 61 per cent, and in 1910 they were 50 per cent.

In 1919, 56 per cent of the cotton of the United States was exported and 23½ per cent of the wheat was exported. And, taking the average of 10 years, the cotton export was 55.1 per cent of our crop raised, while the wheat export was 23.1 per cent of our crop. And I say to the gentleman from Ohio who spoke a moment ago that no wonder his farmers will support him if he will stand up and tell those farmers the truth. I have never listened to a debate or argument where there has been so many extravagant statements and so many half truths told as here. The bugaboo is held before us of serving private interests—subsidy. One statement was made that if the *Leviathan* were taken over we would pay in subsidy on that boat very considerably over \$1,000,000 a year. That statement is made utterly disregarding the fact that in this bill we have this provision:

(b) Whenever the board determines that the rate of compensation authorized under section 404 is excessive under the special circumstances of any particular case, it shall, in making the contract for compensation, provide therein for the decrease of the rate of compensation to such an extent as it deem advisable.

I have not been here long, but I believe most officials are honest and try to do what is right, and I believe that when any vessel is to get too much money under this bill any administration, whether this administration or any other, will take that section of the bill and make a contract so the terms in reference to that vessel will be fair. The most ridiculous statements, however, were made in the speech of the gentleman from Ohio [Mr. GARN] yesterday, who inserted in the *Record* a newspaper editorial. He incorporated it as a part of his speech, and I therefore infer he approved the statements made therein. I can not refer to all the misstatements, but let us take a few. One is:

The President did not say that only the owners of ships running on regular lines would receive subsidy.



Well, of course he did not say it because it is not true, and I say to this House that before you vote on this measure for heaven's sake take the bill and read it and see what is in the bill itself. Another statement is made:

Those shipowners who enjoy subsidies—but no other American shipowner—could deduct from their income taxes their profits on the operation of the ships.

There is absolutely nothing in the bill which limits the tax exemption of shipowners receiving a subsidy. Take another statement.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. FREE. I have not the time.

As in the case of the Standard Oil Co.—of the cargoes of ships, 5 per cent of the estimated freight that they paid themselves for hauling their oil.

Section 200 of the bill does not permit a shipowner to transport his property and get 5 per cent of the tax credit. It is only for money paid. Furthermore, the section contains a careful provision to prevent the claiming of the credit by any shipper who is in any way affiliated with the shipowner.

One more:

The President did not say that the "tramp ship," which is what Great Britain and every other country means by the expression "merchant marine," will not get one penny of subsidy under this proposed bill, and their owners will not get any rebate, drawback, or exemptions, or other handouts from, through, or by the Treasury.

That is absolutely false. The gentleman from Texas [Mr. HARDY] a moment ago told you that statement was false, and yet that is the sort of thing that is put in as an argument against this bill. Now, in reference to the gentleman's statement as to Rosbottom handling the various lines. He has been very emphatic that Rosbottom has handled his lines at a profit and would handle these lines at a profit. Let me give you the figures:

*United States Line's figures, showing results of operation under commercial conditions.*  
(P. 363, hearings.)

Outcome for four months:

September-December, inclusive, 1921 (this does not include repairs nor any fixed charges).....	\$535,000
Repairs.....	138,500

Surplus to meet fixed charges.....	396,500
Surplus per month.....	99,125
Surplus per year.....	1,189,500

This figure is what under commercial operation would cover interest, insurance, and depreciation, which can be estimated at a minimum of 15 per cent per annum upon the book value of the vessel. As it is difficult to state just what the book value of that fleet was, the 106,500 gross tons of ships whose operating results are given are estimated at two extremes—a book value of \$10,000,000 and a book value of \$20,000,000.

At book value of \$10,000,000:	
Annual fixed charges, at 15 per cent.....	\$1,500,000
Surplus available to meet this fixed charge.....	1,189,500

Annual deficit.....	310,500
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At book value of \$20,000,000:	
Annual fixed charges, at 15 per cent.....	3,000,000
Surplus available to meet this fixed charge.....	1,189,500

Annual deficit.....	1,810,500
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Mr. HARDY of Texas. Will the gentleman yield?

Mr. FREE. I have not the time.

Mr. HARDY of Texas. I just wanted to say there was included in that some old ships which were no good.

Mr. FREE. Three alone cost \$7,000,000 each. The gentleman is not claiming that \$10,000,000 is an overestimate?

Mr. HARDY of Texas. Some are old ships that lost money and would have lost money under any conditions, and they were charged up; still you have them.

Mr. FREE. Now what have we before us? No matter how favorable you may stretch your imagination you have got to agree that we have no merchant marine that is privately owned. You have got to agree that for 50 years our merchant marine has been going to nothing. You have got to admit that we have no marine. How are we going to get one? We are proposing something constructive which we figure will cost less than we are paying at the present time. What does the opposition offer? The gentleman from Tennessee on yesterday offered this: That we keep these ships that we have and maintain the expensive organization which we have and hold those ships until such time as private owners will take them over. You know and I know that is impossible, because if private owners could not handle them for 50 years they are not going to come in and take ships off our hands in that way. The result would be these ships would deteriorate from year to year and we would have no merchant marine. The only other suggestion that comes out of the opposition is the one of the gentleman from Texas, who says that the way to meet this situation is to buy our ships in Europe.

Personally, I believe in home production. I believe in the maintenance of our factories and our mills and our shipyards

and our farms in this country, and I have never been able to get through my poor head how we can build up as a people if we buy manufactured things abroad, if we pull our trees out of the ground, and quit growing our products and buy our stuff abroad. [Applause.]

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 30 minutes to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for 30 minutes.

Mr. MONDELL. Mr. Chairman, I have followed this debate very closely and very carefully in the hope that some of those who are opposed to the pending measure might propose something in the way of a substitute for it.

I assume that something must be done. There was a time when the question of the establishment of an American merchant marine savored largely of theory. We had no merchant marine worth the name, and the question was, first, was it worth our while to attempt to build up an American merchant marine and, second, could that be accomplished at any cost that the people could afford or were willing to pay?

On the questions thus presented there was a very considerable difference of opinion. First, there was the natural objection—the objection which finds lodgment in the hearts of all men—to Government subsidy if it can be avoided and, second, the question as to whether or no, if a subsidy were paid, the result sought would be secured. From these viewpoints of doubt and questioning there came to be, and there was, I think in the country, a majority—not a large one, but something of a majority—unfavorable to what was known as the ship subsidy bill or ship subsidy proposition.

But we are no longer confronted wholly with a theory. We have before us a condition; a condition requiring action; a condition which we can not dodge and can not blink; a condition which we can not close our eyes upon, and which, as honest men and as legislators charged with responsibility, we must settle or attempt to settle one way or another.

During the war we set out to build a bridge of boats. We did the work, as we did most of the work, as perhaps it is inevitable most work must be done in time of war, in a very expensive way. We paid out the money of the American people in a sum aggregating nearly \$3,000,000,000 for the building and for the management and maintenance of a fleet.

We have the major portion of that fleet, costing \$3,000,000,000, on hand. We are trying to operate it through governmental agencies. We are operating it as far as we can under present conditions and under our present plan, and we are able to keep in commission only about one-third of the steel ships of the fleet. It cost us about \$150,000,000 annually to operate the fleet over and above all income until the present administration took charge of affairs. By putting into effect first-class business methods, by bringing to our aid first-class shipping men familiar with the shipping trade, we reduced the cost of the fleet, the actual outlay, to \$50,000,000 per annum.

But we are utilizing only a third of the fleet, and the balance lies rotting in our harbors. If we utilize more, it would cost us more; and as we utilize less the depreciation of the ships tied up increases the loss to the people.

What are we going to do about it? One gentleman who discussed the matter seemed to rise no further than to view the whole proposition from the standpoint of the now very common slogan of "safety first." His mind, instead of dwelling on the problem as one that must be solved and settled in some way, seemed to be entirely taken up with the question of personal political fortunes. He thought not of the problem of the fleet but of a political life raft or lifeboat.

It is a very great honor to represent an American constituency, and naturally our desires to continue to do so. But, after all, I hope the gentleman who made that suggestion does not ordinarily view his duties here wholly from the standpoint of just how this particular problem or that particular vote may affect his political fortunes.

I think it is true that a very large number of people in the Mississippi Valley, in the day when the question was wholly one of whether or no we should endeavor by public aid to build up a merchant marine by aid of a subsidy, were opposed to that policy. I think there was, in the absence of strong persuasive voices raised in behalf of that policy, a time when practically everybody was going with the tide and running with the hounds against it. I think there was a very general sentiment against a ship subsidy as the matter was then presented. But I have a very high regard for the people of those States. I know they are clear-headed, right-thinking folks, and I do not believe they want us to dodge any question fairly presented to us, and I do not believe that even those folks



would, if the question as now presented to us were clearly and definitely and earnestly presented to them, would be found against it. I can not believe these people would say, "We believe in Government aid in rectifying the banks of our great interior rivers. We favor Government aid in the reclamation of arid lands. We approve large appropriations for flood protection. We want the Government to expend large sums on rivers and harbors. We believe the Federal Government may very properly appropriate great sums of money for aid in the building of roads. We think the Federal Government may properly aid the raiser of hogs and the grower of cotton and the producer of a wide variety of agricultural products by helping him to meet his problems and overcoming the difficulties that confront him. We believe in all these things, calling in the aggregate for many millions of dollars annually, but we can not agree that the Nation should ever expend a penny to keep the flag on the high seas to help transport our products, most of which come from the farms, to foreign markets, to establish and maintain great merchant leviathans which are as essential to us in time of war as are the great warships themselves."

I do not believe that the proposal now before us properly presented would meet with an adverse verdict anywhere in the Mississippi Valley, north or south.

Our Democratic friends in debating this problem take a great deal of pride and pleasure in enveloping themselves in the cloak of political sanctity and in declaring that they stand for "equal opportunity for all and special privileges to none." That is a very lovely figure of speech, and we all believe in it as a matter of political ethics. But, speaking practically, where is the man who can say that any man who has sat in this Chamber within the recollection of any of us has not voted for and has not favored special aid, special assistance. We began to afford special benefits the day we abandoned the idea that the only function of government is to maintain order. We do grant special favors to every locality whose bayous and waterways you clear of snags and water hyacinth; to every community whose rivers and harbors we make available for the use of local as well as general commerce. Who can say that there is no special privilege in calling upon the taxpayer of one section of the country to aid in the building of highways for the benefit of the people who live in other parts of the country? We make these expenditures on the theory that they serve the general interest, but the expenditure is, nevertheless, helpful and beneficial to localities and individuals. In the recent campaign in my State I took some pride in reciting the benefits that we received annually from Federal appropriations, and I was surprised myself when I had summed it all up and found how large an amount flowed regularly from the Federal Treasury into my Commonwealth and into all that section.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. MONDELL. In just a moment. The day is gone when gentlemen who want to be honest and fair discuss these matters on the theory that these benefits convey some special privilege contrary to the spirit of our policy and our institutions. Now I am glad to yield to the gentleman.

Mr. J. M. NELSON. Can the gentleman name a parallel case, where the special privilege has gone so directly to a group, where the money goes directly to them? The gentleman knows who owns the highways that he speaks of.

Mr. MONDELL. It happens in this particular case that by reason of the nature of the business the payment proposed for services rendered—and it ought not to be made unless there is a service rendered—must be to an individual. That does not change the nature of the case or of the character of the payment.

Mr. J. M. NELSON. Can the gentleman name a parallel case in his own recollection as a Congressman?

Mr. MONDELL. Every expenditure I have mentioned parallels what we are proposing. In this case it is proposed not to aid without any direct return whatever, as in some of the cases that have been mentioned, but to make payment for a service to be performed. The flag must be carried on the high seas. American commerce must be transported to the ends of the earth. A real service must be performed. Ships must be maintained that in time of war will be as useful and serviceable to us as are the great battleships of the fleet, and it is for that service that we propose a small payment shall be made.

Mr. FESS. Will the gentleman yield for a moment?

Mr. MONDELL. I yield to the gentleman from Ohio.

Mr. FESS. In the light of the question of the gentleman from Wisconsin [Mr. J. M. NELSON], to whom was the money paid when we built the transcontinental railroads in the west?

Mr. MONDELL. The lands were granted to the railroads, and the loans were made directly to the railroads. In those cases the payments were as directly to individuals as they are in this case.

Mr. J. M. NELSON. Does not the gentleman think that was rather unfortunate? Were there not all kinds of scandals and all kinds of protests against that procedure?

Mr. SNYDER. But we got the railroads, did we not?

Mr. MONDELL. Take it all in all, every man who has lived in that western country, who knows what was done and what has been accomplished, admits that the policy was a sound and a helpful one. If there were excesses in the application of that policy, that is quite another matter. If the gentleman thinks the subsidy too high, let him suggest a reduction. If the gentleman believes there are provisions in this bill that ought not to be in it, let him suggest an alternative. But in my opinion no man can fairly represent an American constituency, in voting against this legislation, unless he shall propose some other concrete proposition which will solve the great problem we have before us. Gentlemen may not dodge this issue. It is here. It is clear. It is definite, and from the standpoint of the party having responsibility here, what shall we say to the American people if, having been called into authority for the purpose of enacting constructive legislation, we halt and hesitate in the face of one of the most urgent problems pressing upon us.

Mr. GARNER. Will the gentleman yield for a question?

Mr. MONDELL. Briefly.

Mr. GARNER. Why is it that American capital does not seek investment in the merchant marine?

Mr. MONDELL. I have asked that question repeatedly, and the answer, sometimes garbed in one phraseology and sometimes in another, has always been, in substance, that it does not pay, that it has not paid, and that it will not pay without some aid from the Federal Government. Let me answer the gentleman's question in another way. The proof of the fact that it has not paid is to be found in the fact that we have not had a merchant marine. Here is a nation, the richest in the world, with more capital seeking investment than anywhere else on earth. We have in America the highest quality of constructive, engineering, and business ability in the world. Yet since the Civil War we have had no considerable merchant marine. The gentleman says that if we allow our people to buy foreign ships we may have a merchant marine. Well, possibly so, though I doubt it, but at a cost that the great majority of the American people are not willing to pay—by closing American shipyards.

Mr. GARNER. Will the gentleman yield for a question?

Mr. MONDELL. Just a brief question.

Mr. GARNER. Does the gentleman agree to the premise that if all restrictions were removed American ingenuity and capital are capable of competing with any other ingenuity or capital in the world?

Mr. SNYDER. It might be, except in the raising of Angora goats. [Laughter.]

Mr. GARNER. The gentleman from Wyoming just paid a great tribute to American ingenuity and American resources. I want to know if he agrees to the proposition that American ingenuity and American capital are equal to those of any other nation on the earth and on the high seas; and if so, why do we not remove whatever impediment keeps us from investing in that enterprise?

Mr. MONDELL. We can only remove the principal impediment by reducing American wages and the standard of American living, and we are not prepared to do that.

Mr. GARNER. Yet this subsidy does not go to American wages at all. It goes to capital entirely.

Mr. MONDELL. In order to enable American capital to pay American wages on American ships carrying the American flag. [Applause.]

After all is said and done, every man who has ever studied the question knows—and there can be no reasonable difference of opinion on that subject—that the only real reason why we have not had a great merchant marine in modern times, that a merchant marine has not been built up, is because we pay in America higher wages, we provide more men for the same service, we feed American seamen better, we give them more space, we have better laws for their comfort and their protection. Our costs of building are higher, our costs of maintenance are higher—every cost from the time the keel of the ship is laid down until the voyage is ended is greater primarily because American wages are higher and American standards of living are higher. It is to overcome that handicap, a handicap which we do not want to have removed, a handicap that we would not wipe out if we could, that we are proposing to



pay for the shipping service that shall be performed a small sum, measuring, as near as we can determine, the difference in cost growing out of American wages and American standards of living.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. HARDY of Texas. Does the gentleman dispute the fact stated in the report of the marine architects that the wages paid in Norway and Sweden are equally as high as the wages paid in this country?

Mr. MONDELL. I dispute any statement made by anybody that wages anywhere on earth are permanently, ordinarily, or regularly as high as American wages.

Mr. HARDY of Texas. Then the gentleman refuses to take that testimony?

Mr. MONDELL. I do not know of any such statement made by reliable authority.

Mr. HARDY of Texas. The gentleman will find it in the hearings, and it is in the article that I read a little while ago.

Mr. MONDELL. Some one may have put such a statement in the hearings. I have not seen it; but the man who attempts to tell me that wages on foreign ships are as high as they are on American ships I would listen to in the same frame and attitude of mind that I would to the man trying to make me believe that the wages in Germany at this time are as high as in the United States.

If there is any one thing that is settled and established beyond peradventure, it is the fact that American wages are higher than the wages anywhere else on earth and that American standards of living are higher than the standards of living existing anywhere in the world. I am proud of the fact and I would not change it.

Mr. HARDY of Texas. Does the gentleman mean—

Mr. MONDELL. Now, the gentleman from Texas had two or three hours in which to make his speech. I have only a few moments.

Mr. GARNER. Will the gentleman allow me to ask just one question and then I will quit?

Mr. MONDELL. Very briefly.

Mr. GARNER. Will the gentleman explain how it is that labor, so far as this record goes, appears to be opposed to this bill? If it is in the interest of labor, are the laboring men so ignorant that they do not know what is for their own interest?

Mr. MONDELL. I differentiate between labor and labor leaders. Sometimes labor is unwisely led by unwise leaders. That occurred to a considerable extent in the recent election. That is something time will adjust. I have great confidence in American labor and in the American laboring men, but unfortunately I can not have equal confidence in some American labor leaders, and the gentleman from Texas will not disagree with me on that proposition. [Applause.]

In conclusion let me say that the fact we have had no considerable merchant marine for over half a century, notwithstanding American capacity and aptitude for the sea, is conclusive evidence that there is a handicap, a differential which American genius and business ability can not unaided overcome. Perhaps it was not wise to attempt to overcome it by Government aid in the building of a merchant fleet. But we have the fleet. What shall we do with it? That is the question.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. BANKHEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, in the very nature of things those who are members of the committee and before whom hearings have been had upon proposed legislation, are best informed on the subject, and are best equipped, in a serious argument such as this has been, to present the real facts and the proper reasoning based upon those facts to the House of Representatives for its information. I think the members of the Committee on the Merchant Marine and Fisheries have certainly been true to that rule. It has been a long while since I have heard in the House, taking it as a whole, as high-class discussion as there has been on this measure by the members of the Committee on the Merchant Marine and Fisheries.

The gentlemen from that committee who are opposing this bill have presented to those who have heard their speeches and to those who have read their arguments, substantially, it seems to me, all that can be said on the subject; possibly not all that can be said, but at least they have laid before us the facts and every principle that is involved. I shall not attempt to paint the lily which they have developed.

It does seem to me, however, that there are certain superficial arguments that have been made by the proponents of this legislation to which some attention should be given. The Presi-

dent of the United States began that argument and I referred to it in discussing the rule. The gentleman from Ohio [Mr. BEGG] a few moments ago, with perhaps more force than anyone who preceded him, elaborated upon those matters, and the gentleman from Wyoming [Mr. MONDELL], who followed, reiterated what he had said. I refer to the allegation that certain appropriations for certain public purposes are on all fours with this proposition for a ship subsidy. Gentlemen referred to the appropriations for agriculture. Now, let us see about that a moment.

Appropriations for the extermination of boll weevil have been specifically mentioned; also appropriations for the improvement of growing live stock, and a clear intimation has been given that they are solely for the benefit of the farmer or a subsidy to the farmer. I have never understood that to be the theory upon which those appropriations were made.

Mr. MONDELL. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. MONDELL. Who made any such suggestion that these were appropriations in the nature of a subsidy, and particularly for the benefit of the farmer?

Mr. GARRETT of Tennessee. I understood the gentleman from Wyoming to say specifically in answer to a question by the gentleman from Wisconsin [Mr. NELSON], when the latter asked him to name any parallel cases, that all he [Mr. MONDELL] had named were parallel to this proposed in the bill before us.

Mr. MONDELL. Oh, I did not say that those appropriations or these appropriations we are proposing in this bill were either primarily or wholly for the benefit of those who receive them or of those on whose behalf they were directly made. They were all made upon the theory that they worked for the public good and the public welfare.

Mr. GARRETT of Tennessee. I propose to undertake to distinguish between those appropriations and the policy that is provided in this bill. The appropriations for agriculture, of course, are made because there is a demand that a full amount of cotton shall be grown in the world in order to clothe the world, and there is a demand that a full amount of meat and a full amount of wheat and other food products shall be grown in order to feed the world.

I refer now to the reference that has been made to irrigation as a subsidy, or as something on all fours with this proposition. I have not so understood that. I have very cheerfully supported irrigation legislation here ever since I have been a Member of Congress, and I never dreamed of the fact that in so doing I was voting a subsidy. I do not think so now. I have understood this to be the situation: That the Government entered upon these irrigation projects for the purpose of improving its own property, that in the end, when this property was disposed of to the citizens of this country, it was required that there should be paid back into the Treasury of the United States for the property an amount sufficient to cover every cent expended by the Government in making it habitable and fit for cultivation, together with interest thereon. If I am in error about that, if it has been a subsidy, then these gentlemen from the West have put one over on me that I was not aware was being put over.

Mr. J. M. NELSON. Did not the Government require a certain amount of pay for the waters that were used, and did the money go to private parties in the way of a gift?

Mr. GARRETT of Tennessee. I have never understood that anything in the way of a gift was ever requested. As I say, when the Government sold its own lands, which it improved, it charged the purchaser sufficient to cover the Government cost, and whenever the private landowner has used the water from the irrigation ditches he has been charged enough to cover the cost of the service.

Mr. CARTER. The cost of production and the water, both.

Mr. GARRETT of Tennessee. The gentleman from Ohio [Mr. FESS] referred to the land grants to the railroads. Those grants were made a good while ago. Some gentleman suggested many scandals had grown out of that. I have no criticism of that policy, but what was the situation? Across a thousand miles or more the Government of the United States owned millions, unnumbered millions, of acres of land that were absolutely worthless until they could be opened up to settlement and cultivation.

The best method to open them up to settlement and cultivation was to have highways of transportation through that territory, and every acre that was given to the railroad companies in order to enable them to construct those lines of railway and open them up to settlement enhanced the value by tenfold of the lands which the Government retained, and which could never have been enhanced in any other way. The Government, the Treasury of the United States, the people of the



United States, had nothing taken from their pockets by those land grants, wherever the laws were honestly administered, but on the contrary the wealth of the whole people was increased by unnumbered billions of dollars by those advances to the construction of railways.

Mr. Chairman, it remained for the gentleman from Ohio [Mr. BEGG] to raise a sectional question in this matter, a question that I did not know existed relative to it, and I yet do not see how it can exist. He referred to appropriations that certain Southern States had obtained for certain purposes, and certain Western States. I do not know, but I sometimes wonder how long it is going to be before the Republican politicians in Ohio learn that the Civil War is over. I think the story lately told along that line must have originated somewhere in Ohio; of course, not amongst the old soldiers, because they would know better, but it must come from certain politicians up there. It must have been one of them who suggested that they better shoot the mail carriers, because they wore gray suits. The poor fellow thought they were Confederate soldiers. [Laughter.]

The gentleman from Ohio [Mr. BEGG] dealt with emphasis on the amount that has been paid out for the construction of Federal highways. I remember the gentleman opposed that last session, and made very much the same argument that I made when it was originally instituted. I opposed it, but I never opposed it upon the theory that it was a subsidy. The gentleman wholly misconstrues when he attempts to put the matter proposed in this bill on a parallel with an appropriation for highway purposes.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. BEGG. The burden of the argument on the Democratic side against the bill has been upon the question of taxation. I merely showed that it would not cost the gentleman's State anything, or if it did cost it anything it would be 9 cents a head. If that is sectional, well and good.

Mr. GARRETT of Tennessee. I am very glad the gentleman has made that statement, because I probably would have forgotten to refer to it if he had not interrupted me. The gentleman has heretofore spoken of the payment of Federal taxes by States. Of course, from the people of some States there come more Federal taxes than come from the people of other States. Why? Because they have more to pay with. And why do they have more to pay with? Because, following the lines that have been followed throughout all the history of the world, there are great centers of population, great centers of finance, centers of industry, where men build up fortunes, but they are making those fortunes out of the people of the other States as well as out of the sections in which they happen to reside. [Applause.] It is no reflection upon my State that its citizens do not happen to have the income upon which to pay as much tax as do the citizens of the State of Ohio.

Mr. BEGG. Will the gentleman yield to a further question?

Mr. GARRETT of Tennessee. Certainly.

Mr. BEGG. Does not the gentleman think that he is making a mountain out of a molehill in opposing a proposition that is wanted by the States that are going to pay for it, when he concedes that it is not going to cost him anything?

Mr. GARRETT of Tennessee. Mr. Chairman, I hope the gentleman will get my idea. I am opposed to taking out of the Treasury, no matter by whom it is paid in, if it be paid in under any just system of taxation, any sum of money and using it for the benefit of a particular class or of a particular individual. [Applause.] That is a principle of government by which I stand.

Mr. BEGG. Then if certain sections want to tax themselves for something, granting that it is going to benefit them more than some other section, the gentleman believes this system of government gives him the right to say to the people of Ohio, to the people of Pennsylvania, and of New York, that they shall not do it.

Mr. GARRETT of Tennessee. Oh, no. If the shipowners want to raise the fund and run these ships, I do not object to it.

Mr. BEGG. Let us stay right on the proposition. The gentleman surely does not wish to duck it. Is the gentleman in favor of having his State most vigorously opposed to something that he admits will not cost him anything, but that will cost the other States something? Is it any reason why you should say we shall not have it, just because you do not pay the tax?

Mr. GARRETT of Tennessee. Oh, well, the gentleman's argument would lead us to this situation—

The CHAIRMAN. The time of the gentleman has expired.

Mr. BANKHEAD. I extend the gentleman's time for 10 minutes.

Mr. GARRETT of Tennessee (continuing). That so far as Government activities are concerned, there ought to be some sort of severance or separation. The logic of the gentleman would lead absolutely to that end.

Mr. HARDY of Texas. If the gentleman will yield right there, is it not true, Tennessee and Texas having been especially alluded to, that they pay as much in proportion to their wealth as Ohio?

Mr. GARRETT of Tennessee. Undoubtedly, if the tax laws are being fairly administered, and I presume they are. The gentleman from Ohio referred particularly to roads, and many gentlemen referred to roads, and the President referred to highways being constructed.

Now these highways are being constructed for the benefit of all the people. They are open to every individual. If the gentleman from Ohio, as I hope he shall some time, chooses to drive over the splendid roads of his State down through Kentucky and Tennessee, over the roads when we get them completed there, as I hope we shall before long, those roads will be free to him, but we are not going to pay his chauffeur for driving the car over them.

Mr. BEGG. Will the gentleman yield right there?

Mr. GARRETT of Tennessee. If the gentleman from Ohio should hire a car and the Government pay part of the charge, that would be on all fours with this bill.

Mr. BEGG. Right there. The gentleman certainly would not have the gall to charge me to go over those roads when every dollar raised from Kentucky and Tennessee was matched by \$2 from Ohio to build those roads?

Mr. GARRETT of Tennessee. The gentleman would be welcome in there.

Mr. BEGG. I hope so.

Mr. GARRETT of Tennessee. Without charge. He would not expect to pay a subsidy for the car that he happened to hire to drive over there, or expect the Federal Government and the State of Ohio to put up two for one for hire of his car.

Mr. BEGG. If I had the choice of riding in my car or a British car or a Jap car, I would ride in mine and subsidize it; yes.

Mr. GARRETT of Tennessee. Well, of course, the gentleman realizes he has laid down a most preposterous proposition. [Laughter.] The gentleman surely does realize that there is a difference between furnishing avenues of transportation and furnishing vehicles of transportation.

Mr. MONDELL. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will yield.

Mr. MONDELL. Assuming the avenue of transportation is available by nature and that avenue can not be utilized for the benefit of the American people, what about it then? Would the gentleman say the Federal Government, which was justified in one case in providing the necessary avenue, would not in another case be justified in providing the means of utilizing the avenue that nature provided? What is the difference?

Mr. GARRETT of Tennessee. The difference is very great. All the nations have access to the seas of the world.

Mr. MONDELL. That makes our problem the greater.

Mr. GARRETT of Tennessee. We, so far as the "avenue" is concerned, stand on an equal footing with all the rest of the world.

Mr. MONDELL. Yes; but we wear better clothes, eat better food, receive higher compensation for our efforts, thank God. [Applause.]

Mr. GARRETT of Tennessee. Oh, well, of course the fact remains that the last act of this Congress before it adjourned was to undertake—it has always been my understanding, I do not know much about the shipping business, but it has always been my understanding that a ship to be successful must have a cargo both ways—as I say, the last act of this Republican Congress immediately before adjournment was designed to prevent any American ship, or any other ship, from bringing a return cargo from abroad [applause] by the passage of the protective tariff law by which they undertook to prohibit importations as far as they dared.

Mr. MONDELL. The gentleman who ran against me in the late campaign voted for that proposition.

Mr. GARRETT of Tennessee. So I have understood. [Laughter.] It was a choice in his State, I presume, between two excellent gentlemen, one of whom had offended the political proprieties in one respect, while the other had offended them in a number of respects. [Laughter and applause.]

Of course, Mr. Chairman, we need not deceive ourselves about what this bill means. It is the institution of a new policy in this country. It is the institution of the subsidy system which has been always rejected when squarely presented to the people.



It is objectionable in many respects; not alone because of the principle involved in it, but because of other things which have already been pointed out by gentlemen who have preceded me, and which will probably be further elaborated upon under the five-minute rule. It is undemocratic. It is a violation of other fundamental things of government. If we subsidize this class, where shall we end? If this class can come to us and appeal, what will be the next class to arise and appeal successfully?

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. GREENE of Vermont. It think already we have some evidence of the extension of the subsidy system to the Muscle Shoals proposition. For instance, did the gentleman favor a general subsidy to the fertilizer business?

Mr. GARRETT of Tennessee. Well, I understand these shipowners desire us practically to give them the ships and then pay them for taking them. Mr. Ford asks us to sell—

Mr. GREENE of Vermont. And to give \$5,000,000 for the \$106,000,000 we have put in and then put \$50,000,000 more in, that is all.

Mr. GARRETT of Tennessee. The percentage he offered is about as high as the percentage offered for these ships, but he does not ask us that he be subsidized.

Mr. GREENE of Vermont. One hundred years, and, of course, we shall all live to see the truth or falsity of the comparison by that time.

Mr. GARRETT of Tennessee. Well, that is the difference between those two propositions. Mr. Ford is not asking that the Government Treasury be opened to him.

Mr. GREENE of Vermont. Only to the extent of \$50,000,000 to start with.

Mr. GARRETT of Tennessee. No, indeed. The gentleman is very much mistaken. Mr. Ford is only asking that the Government complete the property.

Mr. GREENE of Vermont. Yes.

Mr. GARRETT of Tennessee. That is what is to be done with these ships that are to be sold at 7 per cent of their cost.

Mr. GREENE of Vermont. It depends upon what name you call the jimmy that you break into the Treasury with; but the fact remains that you lose that money out of the Treasury.

Mr. GARRETT of Tennessee. Of course, he is not going to give what it cost, nor do the purchasers of the ships propose to give what the ships cost. But Mr. Ford proposes to pay back every dollar of what the Government puts in.

Mr. GREENE of Vermont. He does not propose to pay it back. He proposes to pay back a sum which, if amortized by our Government, might in time equal that sum. Mr. Ford only proposes to pay back about \$9,000,000.

Mr. GARRETT of Tennessee. Well, we hope—and I will express the hope now—that soon we may have an opportunity to fight that question out on the floor of the House. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BANKHEAD. Mr. Chairman, I yield five minutes to the gentleman from Kansas [Mr. TINCER].

The CHAIRMAN. The gentleman from Kansas is recognized for five minutes.

Mr. TINCER. Mr. Chairman, I ask to have read in my time the resolution adopted by the National Grange, which I send to the Clerk's desk.

The CHAIRMAN. Without objection, the resolution referred to will be read.

There was no objection.

The Clerk read as follows:

Resolution adopted November 24, 1922, by the National Grange in national session at Wichita, Kans.:

"Resolved, That the National Grange in the fifty-sixth annual session, assembled at Wichita, Kans., November 24, 1922, and representing nearly 1,000,000 organized farmers of America, hereby declare its unalterable opposition to all ship subsidy legislation and to every form of direct subsidies to private enterprises; and

"It hereby pledges the full strength of the organization toward the defeat of whatever form of ship subsidy legislation has been or hereafter may be introduced in Congress.

"If upon investigation it is found that the American merchant marine is handicapped in its operation by present conditions and laws, then the grange favors a revision of the navigation laws rather than Government aid through a ship subsidy."

C. M. FREEMAN, Secretary.

[Applause.]

Mr. TINCER. Mr. Chairman, it has not been my purpose even to take any time in the discussion of this matter. But I was requested at noon to-day by the head of the Farmers' Union from my State, which organization, I will state, is also opposed to this subsidy, to present this matter in this way. When I came on the floor to secure permission to present it I was permitted to hear the old stock argument that "We pay

the taxes and you do not pay any taxes, and therefore let us do this thing unto you."

I am tired of that argument. And then, to add insult to injury, my friend from Ohio [Mr. BEGG] says Illinois pays so much taxes, while the West pays none. I am trying to get some legislation through the Congress whereby some time in the future maybe the man who produces a bushel of wheat may be able to pay a little income tax, the same as the fellow that profiteers in wheat.

I believe this has been an instructive debate, and I hope seriously that between now and the time this debate closes some of those in control of this bill will answer the charge made here this morning, in which the question was asked, Who will be the beneficiaries of this subsidy? I want to know whether it is true or not that the great corporation that we speak of as the Standard Oil Co., through the subsidiary company, operates these ships and that they simply want a subsidy so that they can keep on paying the big dividends they have heretofore been paying to the company proper; and I want to know whether they will be the first to borrow from the Shipping Board Corporation money at 2 per cent interest. And I want to know whether the United States Steel Corporation will be the second beneficiary, and whether the United Fruit Co. will be the third.

I have spoken of this to-day with all the men that I could that are informed about this matter, and if that is not true it should be denied. If it is true, the Standard Oil will not be the first beneficiary of the bill; if that statement is true and can not be successfully denied, then the Democratic Party will be the principal beneficiary by the enactment of any such legislation as this. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BANKHEAD. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. BLAND], a member of the committee.

The CHAIRMAN. The gentleman from Virginia is recognized for 15 minutes.

Mr. BLAND of Virginia. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BLAND of Virginia. Mr. Chairman and gentlemen of the committee, I do not claim any particular ability to enlighten the committee after the elaborate debates which have been conducted for the last three days. I believe that the Republican members of the committee, the proponents of the bill, have ably presented all of the reasons that could be urged for its adoption, and, on the other hand, the opponents of the bill have presented the case fully and fairly. Further debate could only be repetition of arguments and facts already forcefully presented.

I was struck with one significant statement in the argument of the distinguished leader of this House, the gentleman from Wyoming [Mr. MONDELL]. The gentleman from Wyoming said that he was satisfied that if this question were fairly and fully and clearly presented to the people of the country they would strongly indorse the Republican position. I have considerable confidence in the ability of the Republican Members of this House. I believe that they measure up in intelligence with the average of the country; in fact, I believe that they are a little better. I have considerable confidence in the intelligence of the gentleman from Wyoming, the leader of the Republican majority, and it is indeed surprising to me, if the gentleman from Wyoming and the Republicans felt that the people of the country indorsed this legislation, that they should have postponed consideration of this bill to an extra session called after the election in November, when they had from June until November in which to put the legislation across. [Applause on the Democratic side.]

There was evidently considerable fear on the part of the distinguished leader that they might not be able fairly and honestly and clearly to present this legislation so satisfactorily to the people of the country as to receive their indorsement at the November election.

I was also struck in the course of the debate with another significant fact. The gentleman from Ohio [Mr. BEGG], for whom I have considerable respect, took to task one of the witnesses who appeared before the committee for certain language used, and I do not blame him for doing so, for I think that the language was untimely and unseemly, and I do not believe in unnecessary criticisms or in criticisms of that character upon the President of the United States, even when he does not belong to my own party. But, oh, gentlemen, I thought at that



time how much better it would have been if the distinguished gentleman from Ohio could have been in this House in the Sixty-sixth Congress and in the closing days of the Sixty-fifth Congress, when the animadversions and attacks that were made upon the then President of the United States came not from irresponsible witnesses before a committee but from responsible Members upon the floor of the House. [Applause on the Democratic side.]

I earnestly hope that the sentiment which the distinguished gentleman from Ohio has urged here to-day may be the sentiment that will actuate and impel not only our side of the House while your President has charge of the country's affairs but that it will also actuate those of you who shall be here after 1924, when a Democratic President will very probably have charge of the affairs of the country. [Applause on the Democratic side.]

Gentlemen, it is perfectly useless for me to attempt to go into the minute details of this bill. Like the distinguished gentleman from Tennessee [Mr. GARRETT] I am opposed to subsidies, and in the extension of my remarks I hope to present, if permitted to do so under the rules, an excerpt from an opinion rendered by no less distinguished a jurist than Judge Cooley, of Michigan, in which he explained as clearly as it was possible to explain why subsidies were dangerous either in State or National Governments.

But in the brief time allotted to me there is just one thing to which I wish to call your attention. You have been shown something about the vast powers that are vested in the Shipping Board; and though I do not possess the ability of the proverbial Philadelphia lawyer, to go through this bill and take up all the powers vested in the Shipping Board, yet I want to call your attention to a summary of some of the remarkable powers vested in them.

1. To sell privately ships of the American people without advertisement and without competition and on any terms it pleases.

Of course it is given permission to advertise, but it is given power to sell without advertisement.

2. To destroy any port within certain geographical divisions by selling ships from that port. For, notwithstanding by the provisions of section 2 the board shall not for the period of two years after the passage of the act sell vessels engaged in serving such ports to persons other than those who have the support, financial and otherwise, of the domestic communities primarily interested in such lines, yet the act defines domestic communities primarily interested in such lines to mean the geographical divisions of coast lines of the United States known as North Atlantic, South Atlantic, Gulf, and Pacific coasts; and as a result, since New York and Hampton Roads are in the North Atlantic group, vessels engaged in service from Hampton Roads may be bought by lines from New York, to the destruction of Hampton Roads, and the same applies as between the ports of Galveston and Mobile and New Orleans.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. BLAND of Virginia. I hate not to yield, but I have only 15 minutes.

Mr. J. M. NELSON. I want to know what "financial or otherwise" means? What does that word "otherwise" mean?

Mr. BLAND of Virginia. I can not explain that.

3. The board also have the power to play favorites in lending for construction and equipment, inasmuch as they may select whomsoever they choose to be the beneficiaries of the loan fund.

To give or refuse subsidies as they please, and without any right of review or appeal. You come in, inexperienced, in the opinion of the Shipping Board, and yet running your line for a number of years. I come in, the favorite of the Shipping Board, and we ask for our subsidies, and under the powers of this bill the Shipping Board has the right to say to you, "I will not give you \$1 of subsidy, but I will give to the other fellow twice as much as he asks for."

4. The board also has the power to give subsidies to feeders, though they never come to American ports.

5. To pay subsidies for three years to companies on their American-owned ships, though a large part of their tonnage is not under the American flag, and though at the end of that three years such company decides to keep its foreign-owned ships under a foreign flag. This would operate for the benefit of the International Mercantile Marine, only 10 per cent of whose fleet is under the American flag, and 90 per cent sailing under other flags.

6. To double compensation, and after a contract is made, which may be for 10 years, the Shipping Board may, with the consent of the other party, decrease the subsidies that are granted or, without his consent, increase his subsidies.

Do you suppose anybody is going to object to an increase in his subsidy?

The Shipping Board is given the right to say, "We have contracted with this fellow on a basis of so much, but it is not enough; he is not asking for any more, but we want him to get some more profit; we will give him double the basic subsidy." That is the power that is vested in the Shipping Board. Then, another thing—and why this is put in I do not know—that any person receiving a subsidy who has contracted with the Shipping Board may cancel his contract at any time without the consent of the Shipping Board, except that the cancellation shall not affect his obligation to repay subsidies or maintain routes.

Just there, gentlemen, I want to say something about that obligation to repay. We have heard a great deal about this 10 per cent; that just as soon as they earn 10 per cent the balance is coming back into the Treasury—that is, one-half of the excess—until the subsidy is returned. For what period, gentlemen? For the taxable year when the subsidy is received. In other words, the plain effect of this bill is that if the contract is made for double subsidies and payments are made through five lean years, five years when they are making only 9 per cent, five years when they do not pay back anything, and if suddenly there should come a turn in business, if suddenly business conditions throughout the world should be stabilized, if suddenly there should be rich profits to these shipowners, what do they do? Do they pay back the subsidies that they have received during the lean years? Not on your tintype. They do not pay back anything except the subsidy received that year, when they did not need to receive any subsidy.

I should like to know, then, what benefit there is under this provision that we are going to recoup to the Treasury the subsidies that are paid. It creates the impression in the public mind that if there should be an upturn in business the subsidies that have been paid may be recovered into the Treasury, when the plain reading of this bill shows that that is not the case. That is not the report of the gentlemen presenting the bill. The whole truth about the business is that they say if they earn more than 10 per cent one-half of the excess will be repaid, but they do not give the explanation that that is only for the taxable year.

Mr. EDMONDS. Will the gentleman yield?

Mr. BLAND of Virginia. My time is up.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. BLAND of Virginia. Under leave to extend my remarks, I wish to continue further my summary of the extraordinary powers vested in the Shipping Board:

7. The board may make any regulations it deems necessary.

8. The determination of the board as to the amount of compensation to which any person is entitled shall not be subject to review by the General Accounting Office. I submit that such extraordinary power can not be found in any other bureau of the Government.

9. The Shipping Board is given the power to disapprove, cancel, or modify agreements made by carriers, although previously approved by the board. Ordinarily the law seeks to hold parties to their agreements, but this law expressly authorizes them to be made mere scraps of paper if the Shipping Board desires.

10. Pursuant to the policy above outlined, it is made unlawful to carry out any agreement or part thereof disapproved by the board.

11. The board is given power to approve agreements which shall be excepted from the operations of the antitrust act.

I respectfully submit that never before in peace time and seldom, if ever, in time of war have such vast, absolute, and extraordinary powers been vested in any board, bureau, or agency of the Government. Imperative need exists that we shall get away from bureaucratic government. Our opponents promised this, and yet this bill presents a case of bureaucracy run mad.

Though vesting such extraordinary and unusual powers in the Shipping Board, though making the board the distributors of vast funds for the merchant marine without right of review or appeal, without review even by the General Accounting Office as to the distributions made for compensation, though empowering the board to select the beneficiaries of the fund and enabling it to make or break whom it pleases, yet these unusual powers are not enough and the bill proceeds also to permanently appropriate the moneys in the merchant marine fund. This is probably intended to safeguard the beneficiaries of this legislation from any question as to its unconstitutionality and to bring the fund within the operation of United States v. Realty Co. and United States v. Gay (163 U. S. 427),



wherein it was held that the question of the unconstitutionality of the sugar bounty act was immaterial to the decision for the reason that when the parties manufactured sugar under the provisions of the act they did not know it to be unconstitutional, that equitable considerations can attach to a claim which, among other grounds, is based upon an act that was supposed by all the officers of the Government to be valid and that Congress could legally recognize and pay the claim founded on such act though the act was unconstitutional.

In my remarks about subsidies I referred to a statement by Judge Cooley. The same is to be found in *People v. Township* (20 Mich. 452) and is as follows:

But it is not in the power of the State, in my opinion, under the name of a bounty or under any other cover or subterfuge to furnish the capital to set private parties up in any kind of business or to subsidize their business after they have entered upon it. A bounty law of which this is the real nature is void whatever may be the pretense on which it may be enacted. The right to hold out pecuniary inducements to the faithful performance of public duty in dangerous or responsible positions stands upon a different footing altogether. Nor have I any occasion to question the right to pay rewards for the destruction of wild beasts and other public pests, a provision of this character being a mere police regulation. But the discrimination by the State between different classes of occupations and the favoring of one at the expense of the rest, whether that one be farming or banking, merchandising or milling, printing or railroading, is not legitimate legislation and is an invasion of that equality of right and privilege which is a maxim in State government. When the door is once opened to it, there is no line at which we can stop and say with confidence that thus far we may go with safety and propriety but no farther. Every honest employment is honorable; it is beneficial to the public; it deserves encouragement. The more successful we can make it, the more does it generally subserve the public good. But it is not the business of the State to make discriminations in favor of one class against another or in favor of one employment against another. The State can have no favorites. Its business is to protect the industry of all and to give all the benefit of equal laws. It can not compel an unwilling minority to submit to taxation in order that it may keep upon its feet any business that can not stand alone. Moreover, it is not a weak interest only that can give plausible reasons for public aid. When the State once enters upon the business of subsidies, we shall not fail to discover that the strong and powerful interests are those most likely to control legislation, and that the weaker will be taxed to enhance the profits of the stronger.

The aids contemplated by the bill comprehend so-called indirect and direct aids, the last of which may be more appropriately denominated subsidies.

The so-called indirect aids are—

1. The sale of ships on easy terms with 15 years as maximum time within which to make payment and interest to be at 4 per cent.

2. The creation of a loan fund of \$125,000,000 on interest at 2 per cent, and all interest from same to go back into the fund to be used in building or reconditioning ships, one-third of cost to be borne by the owner, the selection of beneficiaries and types of ships to be constructed to be in Shipping Board.

3. Income tax of owner of vessels of 1,500 gross tons and over engaged in coastwise or foreign trade to receive as a deduction from net income an amount which bears the same ratio to his net income during the taxable year attributable to the operations of such vessels as his gross income attributable to the foreign operations of such vessel, provided a like amount be contributed by the owner for building purposes, and within a reasonable time which is not defined such fund may be used in building in private shipyards of United States of new vessels of a type and kind approved by the board, to be used in either foreign or coastwise trade.

4. Exemption of gains on vessels launched prior to January 1, 1914, if set aside in a trust fund to build in private American yards new ships of type and kind approved by board for use in either foreign or coastwise trade.

5. A liberal deduction is allowed from income taxes for depreciation on vessels, for vessels of 1,000 gross tons or more, acquired after August 1, 1914, and prior to January 1, 1921, that is during period of high prices, for taxable year 1922, and each of four succeeding years; the deduction is allowed for the exceptional decrease in value of such vessels since the date of acquisition. This permits writing off high cost as depreciation.

6. Persons shipping either exports or imports are allowed 5 per cent of freights on shipments in American bottoms as a credit on income tax. The only limitation is against persons transporting their own goods in their own vessels or in vessels in which they are affiliated to the extent of ownership of 50 per cent of the stock.

This is a credit on income and not merely a reduction.

As illustrating the operation of this provision, it is to be remembered that Morris & Co. ship a trainload of provisions out of Chicago every two weeks, so that to that firm alone this provision would be highly beneficial.

Great importing and exporting houses would likewise receive material credit.

Mr. Marvin, vice president and general manager of American Steamship Owners' Association, and Mr. Lasker say this is more beneficial than section 34 of the merchant marine act of 1920 would have been, yet shipowners, shipbuilders, and all interested hailed section 34 as salvation of American merchant marine.

The estimated cost of this provision to the Treasury is \$10,000,000.

7. The immigration provisions of the bill, whereby 50 per cent of immigrants are required to be carried in American bottoms, and it is said that this would mean \$8,000,000 to merchant marine. Mr. Rossbottom says the immigrant business would give occupation to not less than 25 good-sized passenger ships in the North Atlantic where the competition is the strongest.

8. The Army and Navy transport services are to be discontinued, and contracts made with private parties, at a cost to the Treasury of something like \$5,000,000, according to some, although this is denied by others. The minority sought to have witnesses produced by the War Department to establish the facts, but the majority of the committee would not summon them and the War Department would not order them to come.

9. Railroads are permitted to own steamship lines, and preferential rates are permitted.

10. Government officials and supplies required to be transported under American flag where practicable.

11. Tonnage duties are to be doubled and this is increased to about \$4,000,000.

12. American ships to carry mail to cost about \$5,000,000, but this is said to be no increase over present charge.

Even if it be assumed that some of these indirect aids are desirable, that some aid could be furnished upon the principle of postal subventions, or that some form of admiralty or naval subvention could be worked out, if needed for national defense, yet the proponents of this bill gave no opportunity to secure facts from which such a policy might be formulated. The purpose seemed to be subsidy as proposed or nothing. I believe this bill to be uneconomical, undemocratic, and fundamentally wrong. I believe that if such a thing could be possible it is more vicious than the monopolistic tariff system provided in the existing Fordney-McCumber bill. It is said that it is not contemplated that this subsidy system shall be more than experimental. It is well known that it was claimed originally that the protective-tariff system would not be fastened permanently upon the country, and yet there has been enacted recently into law a bill which is more iniquitous than any of its predecessors. The efforts now to collect enormous sums from the pockets of the people, to be turned over to shipowners, are caused largely by conditions which it is, or ought to be, known will be brought about by an iniquitous tariff which will compel our ships to return from many ports empty. It has been said very truly that a ship subsidy would be worse than futile if the present tariff system is to be pursued. Such a course would be a cumulative imposition of a needless burden upon American enterprises and industry.

It is especially significant that witnesses appearing for the Shipping Board were reluctant to discuss the effect of the high-tariff policy on the merchant marine. Mr. Lasker, chairman of the board, said that one of the main advantages for the lack of which we suffer with an American merchant marine is that while we have full outgoing cargoes we have not full incoming cargoes or anything like it. He asks, "Is it due to a high protective tariff?" He then says expressly that it is not his purpose to get into that.

Mr. Love, who is in charge of operations for the Shipping Board, says that if our ships come home in ballast, then our outward voyage must approximately pay the cost of the voyage, and that means our outward freights are so high as to overhead as to curb the export trade of this country. While many of the advocates of this bill attempt to justify their claims upon the ground that this bill is necessary for naval defense, yet Mr. Love, speaking for the Shipping Board, says that this bill is a subsidy for the development of foreign trade.

In my opinion, the policy of direct subsidies entered upon will not stop either with the payments provided in the pending bill or with the merchant marine. Several witnesses appearing before the committee testified to the inadequacy, in their opinion, of the subsidies provided, notwithstanding that under the bill they may be increased to double the amounts specified. Many of the beneficiary shipowners claimed that the period of 10 years was too short. One witness claimed that the subsidy, once commenced, would continue certainly 50 years, while another was of opinion that it would be in perpetuity. The hearings and history of subsidies in other countries lead irresistibly to the conclusion that subsidies, once commenced, will continue indefinitely and will increase in amount. It is said that Great Britain pays subsidies. This is not true if we



use subsidies in the sense of navigation bounties, as the direct aids in the bill may be more accurately called. Mr. Lissner, one of the commissioners of the Shipping Board, said that Great Britain had never given anything, so far as he knew, purely as a subsidy to build up her merchant marine. Mr. Burns, American merchant marine officer, graduate of the Massachusetts Training School, and during the war an officer in the American Navy, in articles contributed by him to the Baltimore Evening Sun, said that it might be generally stated that the British had not subsidized shipping, except that subsidy given for services rendered in conveying mail, and that it was generally admitted that subsidy had not been important in building up British shipping and trade.

It has not been shown that subsidies have anywhere increased the commerce of the country paying the same, but the world's experience is to the contrary.

France is the best illustration of a country which has undertaken to build up her merchant marine by subsidies, both in the shape of navigation and construction bounties. She has even gone so far as to pay sums so large that her ships sailed the seas in ballast to secure the navigation bounties. Yet, notwithstanding the large sums paid by France in navigation bounties, in mail pay, and in shipbuilding bounties, her merchant marine increased in 24 years vastly less, proportionately, than the increase during the same period of the shipping of Great Britain and Germany. France found when her first subsidy measure expired that she was faced with requests for increase, and she has found that, once started, the policy is unending.

The experience of Italy has been similar to that of France.

In Japan, under a policy of subsidies, its shipping only increased from 301,101 tons in 1895 to 1,705,386 in 1914, an increase of 1,407,285 tons during a period of 19 years. In a report on "Marine and dock industrial relations," prepared for the Shipping Board, it is said:

For a commercially rapidly progressive country like Japan this is far from extraordinary; it could hardly have been less if it had not paid a cent in subsidies. This increase is about 70,000 tons a year, or less than 10 moderate-sized cargo ships.

In a "Report on the history of shipping discriminations and on various forms of Government aid to shipping," compiled by the United States Shipping Board, the following conclusion is reached:

A study of the authorities on subsidies, taking into account the policies adopted by various countries, would seem to indicate that, with the exception of Japan, the policy has not been important in the building up of a merchant marine.

In the same report it is said that the best discussion of the subject is to be found in Dr. Royal Meeker's History of Shipping Subsidies, printed in the third series, volume 6, No. 3, of the publications of the American Economic Association. That author, after discussing the growth of the Japanese merchant marine, says that a closer scrutiny of history compels an impartial mind to recognize that the testimony of the facts is not at all in favor of the subsidies.

The majority report concludes:

A permanent and healthy merchant marine can never be established merely by paying subsidies.

Mr. Hurley, once chairman of the Shipping Board, has said:

This insistence upon a Government subsidy is one of the characteristics that the modernization of the steamship business along American lines and the infusion of new blood infected by the traditions of other days must chance.

Again:

No progress can be made by people who continually wail that they can not compete.

SUBSIDIES ONCE COMMENCED, OTHERS WILL FOLLOW.

It is almost certain that if this policy of subsidies is once commenced other interests will quickly seek similar aids. The proponents of ship subsidy may seek to distinguish this industry on the ground of national preparedness. Other interests will find equally plausible grounds on which to base their claims, and if a sufficiently strong organization of financial interests can be secured, they will stand a reasonable chance of securing the legislation they desire. Let the limit under the protective-tariff system be reached, as seems to have been the case, and the next recourse will be to subsidies. The dye manufacturers will quickly fall in line. Not many years past the sugar producers secured a bounty, but the law was soon repealed. The woolgrowers have already sought a subsidy. Potash producers have very recently sought to secure a subsidy, and there has been introduced in this Congress a bill to provide for a bounty to growers of long-staple cotton.

There are many other serious objections to the operation of the direct-subsidy provisions. In my opinion, they operate only

affiliated concerns without regard to the taxpayers. Already we have a vast tonnage to be disposed of which can be gotten at world prices or less. The fleet contemplated by experts of the Shipping Board comprises 3,600,000 tons of slow cargo ships, and we have already available 10,000,000 tons, one-half of which is said to be in first-class condition. Then, 1,250,000 tons of fast cargo ships, of which we have available 400,000 tons of fast cargo ships and 925,000 tons of passenger and construction vessels.

It is said that a balanced fleet would only require 1,400,000 gross tons of tankers, and yet there are available now privately owned tankers of 1,600,000 gross tons and Government-owned tanker tonnage of 550,000 tons. These privately owned tankers are owned by Standard Oil, Texas Co., and Texas Steamship Co., Tidewater and Sinclair Oil companies, and like concerns. According to Mr. Merrill, as of November 1, 1921, this privately owned tonnage would receive in direct subsidy \$4,644,000. These tankers are owned by companies whose dividends show no need for a subsidy from the people, and the money is to be paid notwithstanding the present ownership under American flag of a larger tonnage than the so-called balanced fleet requires.

According to this bill, small combination vessels such as run to the Caribbean, possessing an average gross tonnage of 5,500 tons, with speed probably under 13 or 14 knot rate, and mileage possibly 45,000 miles per year, would receive subsidy which would be \$20,000 to \$25,000 per year. These are vessels owned by concerns like Atlantic, Gulf & West Indies Co., which made a net profit greater than its capital in 1915-1920, and during 1921, the worst time in the history of shipping, made an income of \$1,781,337, after deducting all expenses, taxes, interest, and losses on sale of Liberty bonds.

BURDEN UPON PEOPLE.

According to Mr. Merrill, when the Shipping Board program gets into full effect the direct subsidy alone will cost \$32,000,000, or \$2,000,000 more than Mr. Lasker's statement, but Mr. Merrill very frankly admits that he does not think that there is any accuracy in either his or Mr. Lasker's statement, and in answer to a question from Mr. BANKHEAD as to how Congress is going to be guided then in its deliberations, says that it is the "best guess" that can be made. He says that this estimate does not include double aids; as to them no one can speak, since under the bill the power to give or refuse them will rest with the Shipping Board, which may make or break any line it pleases.

The above figures leave out of consideration additional burdens upon the people in the shape of tax exemptions, approximately \$10,000,000, tax reductions for new tonnage not estimated, mail pay about \$5,000,000, loss of interest on loan fund about \$3,000,000, and unestimated burden on taxpayers because of increased freight rates on domestic shipments necessary to offset lowered rates on ocean shipments.

It is manifest that it is impossible to estimate the cost of this bill to the public even though the basic subsidies alone are given, and the award of basic subsidies only can not be expected in the face of (1) the insistence of representatives of the Steamship Owners' Association that subsidies are too low and the period too short, (2) statements that subsidies must be continued 20 years, 50 years, and in perpetuity, and (3) the experience of other countries which have tried subsidies where almost uniformly increases have followed.

Already notice has been given that increases will be necessary. Mr. Marvin, speaking for American Steamship Owners' Association, says that cargo ships should get increases to amount to about \$4,000,000 more and that the subsidy period should be extended from 10 to 20 years.

Mr. Munson, of the Munson Line, advocates a subsidy twice as large as that provided, but says that even now he is operating at a small profit. Further, he advocates mail payments, as at present, in addition to subsidies. He wishes the subsidies for passenger lines increased. And Mr. Marvin, Mr. Raymond, and others, speaking for the American Steamship Association, say the cargo lines must be increased.

Yet as to the passenger lines, Mr. Rosbottom, who operated the Panama line successfully and who has been loaned to the Shipping Board to operate the United States lines, says that if some old ships are taken off his line and others which are more modern are given to him, with some changes to accommodate trade, he will not take his hat off to anybody. This evidence of Mr. Rosbottom relates to the Atlantic trade, and as to the Pacific, Mr. Lasker says the situation is more favorable there. When hearings were had on the bill which proposed to eliminate the transport service in the Pacific and contract with private shipowners for that service, it was argued that with the adop-



tion of such a measure and with the application of coastwise laws to the Philippines the American flag could be maintained upon the Pacific. Yet it is now proposed to give subsidies in addition.

Mr. Pendleton testifying for the bill said the subsidy was not sufficient, though Mr. O'Donnell, chairman of maritime committee of Maritime Association, said that it was his impression that this bill contained all known forms of aids, and it was further said that it might be true that if this bill becomes a law, aside from the indirect aids, it would involve a heavier charge upon the Government Treasury than all the Government aids of every character and description paid by all the other nations on earth combined.

Mr. Raymond, director in Atlantic, Gulf & West Indies Co., president of Clyde Steamship Co., president of Mallory Steamship Co., vice president of Southern Steamship Co., and appearing before the committee for American Steamship Owners' Association, testified that the present rate of subsidy for cargo vessels below 13 knots in speed must be advanced, stating that for all but the largest ships the subsidy provided was manifestly insufficient and would fall short of achieving its purposes. This claim is made in the face of the power in the board to double the subsidies, and in this connection it must be remembered that the owners of the larger lines are making similar claims for their lines.

Already the process of increasing the subsidies has commenced, for in the bill now under consideration and introduced only a few days ago the suggestion of Mr. Munson has been adopted and mail pay is excluded from the merchant marine fund, so as to be paid to ships carrying the mail in addition to the subsidies provided.

Some conception of the maximum burdens possible under this bill may be had when it is remembered that in the case of the *Leviathan* the basic subsidy would be around \$900,000 per year and the board could allow \$1,800,000 per year.

At the present time business conditions throughout the world are in a state of paralysis. The worst depression in the world's history exists in shipping. It was shown in the hearings that approximately one-sixth of British tonnage is tied up; that France with her liberal subsidies has one-third tied up; that very large percentages of Italian, Belgian, Danish, Swedish, Spanish, and Greek are tied up, and yet in this time of extreme depression it is proposed to fix subsidies and impose burdens which will continue through many years.

Upon what theory is it proposed to pay sailing vessels of over 1,000 gross tons a subsidy, and wherein is the justice of paying a vessel of 1,500 gross tons upon the basis of 5,000 gross tons?

#### TEN PER CENT LIMITATION ON PROFITS.

But it is said that the provision for a limitation on profits of 10 per cent will serve as a check and recover the subsidies into the Treasury should they prove excessive. I have already shown that this provision only applies to the year in which this profit is made, so that if the company shall have received subsidies during five lean years and thereafter a period of prosperity should follow, the only subsidy to be repaid would be that received during the years of prosperity. The subsidies paid during the lean years would be gone beyond recovery, however great the profits might be. Here, too, the question of overcapitalization and high salaries paid would become very important.

As to overcapitalization and high salaries, Lissner, commissioner of United States Shipping Board, said:

For the purpose of the record I will state, Judge Davis, that our best information is that the active managers of some of these large shipping companies do receive salaries in a number of instances running up to \$75,000 and \$100,000 a year. A number of the officials in these companies receive salaries ranging from \$20,000 to \$100,000.

Mr. Hurley, former chairman of United States Shipping Board, calls attention to this in his new work on "The new merchant marine," where he said:

Another incongruity is the insistence of shipowners upon lower prices for ships, while in their dealings with the public they have systematically increased the inventory or book value of old ships as fast as they got possession of them. This practice, together with a failure to write off adequate depreciation from year to year, has made possible a degree of overcapitalization that renders the average steamship company more vulnerable in competition than is commonly realized. Like the practice of subsidizing ships, overcapitalization is an entanglement very easy to get into but very difficult to shake off.

Mr. Hurley, in his final report made July 31, 1919, called attention to overcapitalization, and said that a recent statement of one American company frankly admitted that its capitalization of \$11,000,000 consisted of \$5,000,000 in tangible assets and \$6,000,000 in good will.

American steamship companies engaged in 1919 in offshore trade refused to furnish to Statistician J. F. Lane, who was employed by and making investigations for United States Shipping

Board, certain specified financial statements which would enable Mr. Lane to ascertain the cost of operating vessels under the American flag, as the board was directed to ascertain under section 12 of the shipping act.

Witnesses called upon at the hearing to give information as to the salaries paid to their officials refused to do so. With one or two exceptions these companies advised that for various reasons they were unable to comply with the request. Manifestly, they did not care to have the public informed, and the same criticism applies to the failure of the steamship companies at these hearings to give that full and frank disclosure which would have enabled the committee to say if, in fact, they were entitled to receive money from the pockets of the public.

This course of conduct and these circumstances may well cause one to regard with suspicion the activities of these companies to secure this bill, and the minority members were justified in desiring the fullest information before imposing upon the American people the burdens imposed by the direct subsidy features of this bill.

Information, deemed important by one member of the committee at least, was called for, and, so far as I can find, the same has never been furnished. On April 14 the following information was called for:

1. Present American shipowners, exclusive of Shipping Board, engaged in foreign trade, fleets owned by them, and under what flags they operate at present time.
2. Estimate, if bill passes, as to the subsidies these companies would receive, first, with their fleets as at present owned, and, second, with their fleets brought under the American flag.
3. What dividends have been paid in the last 10 years by the present American shipowners operating ships in foreign trade under American and foreign flags, or both.
4. What shipbuilding companies in the United States, or shipyards, are owned by American shipowners?

Mr. EDMONDS suggested that Mr. Merrill and Mr. Lissner get a record of the shipyards and the connection between those shipyards and the steamship companies, stating that the Sun Oil Co. operates ships and that it, or a heavy ownership, owns the Sun Shipbuilding Co.; the International Mercantile Marine is held in some kind of a bond with the New York Shipbuilding Co., and said that they were all public documents, both he and Judge HARDY suggesting that they be put in the record.

On May 16, 1922, page 2178 of hearings, the information was again called for, and there was no misunderstanding, for Mr. Merrill said:

Mr. BLAND asked on one of the first days, Mr. Chairman, for a list of all shipowners and their affiliations, the tonnage they had under American and under foreign flags, their connections with shipyards and other industries, their capitalization and the amount of subsidy each would receive under this bill, and where they were running. We can get all of it pretty easily except the affiliations, which require a good deal of digging.

After 33 days of hearing the only answer made to these inquiries was a statement showing vessels owned and vessels controlled through affiliated companies. The first inquiry was partly answered, but it does not appear that any attempt was made to answer the other inquiries, the pertinency of which must be apparent.

I will not undertake to discuss further the opportunity now afforded to shipowners to procure the available Shipping Board tonnage at world prices or less or the fact that the proposed sale of ships would constitute in effect a gift of them to shipowners, since the bounties throughout the contemplated period would far exceed the purchase price; or the considerable evidence to show that the differentials in operating expenses and subsistence charges are being eliminated; or the differential in our favor on oil-burning ships, of which the Shipping Board owns 70 per cent, while other countries own a much smaller percentage; or the large subsidies which would accrue to the Standard Oil Co., the United States Steel Corporation, United Fruit Co., and other large concerns which own their own ships and operate them in transportation of their own products, without any provision in the bill requiring these companies to operate their ships, in whole or in part, as common carriers; or the enormous rates—sometimes as high as 1,250 per cent on pre-war rates—charged and profits made by the shipping interests who are so strongly urging the passage of the bill; or the opportunity afforded for the creation of shipping monopolies.

#### WILL PASSAGE OF BILL AFFECT SALE OF SHIPS?

Lack of present market is due to depressed shipping, which is worst in the history of the world. Lasker, Love, and other representatives testified that all feasible routes are being served. All that Mr. Marvin would venture to predict was that passage of bill would insure within a reasonably short time some hundreds of thousands of tons, which is nothing when there is taken into consideration the millions of tons which the Government has to sell.



J. B. Smull, one of the Shipping Board's \$35,000 experts, testified before the Appropriations Committee of the House:

There is no possibility of selling boats to-day at any price.

W. J. Love, another \$35,000 expert of the Shipping Board, said:

The foreign lines have been hit just as well as we have, and while they have not abandoned a single essential route or service that they covered prior to 1914, they are reducing their tonnage in keeping with reduced revenue and volume of cargo moving.

The study prepared by the Shipping Board and distributed under its direction on behalf of this bill says:

One of the most difficult problems confronting the Shipping Board is the sale and transfer of Government-owned ships to private owners. The task has been made especially difficult by the present world-wide depression in industry and by the large overproduction of ships. These two important factors have delayed the sale of Government-owned tonnage to such a degree that only a few ships have been sold in the 18 months that have elapsed since the passage of the Jones Act.

The present depression in shipping will doubtless continue for several years. Ships can not, therefore, be sold except at very low prices, as is evidenced by the low prices at which privately owned British tonnage and a few Shipping Board ships have been sold in recent months.

Mr. Farrell, president of the United States Steel Corporation, an authority on shipping and business, said in an address last year:

It is questionable whether under present conditions any considerable tonnage could be sold except at a sacrifice which is not warranted, pending a revival of business in foreign markets, and considering the nominal cost of maintenance laid up.

Even if a sale could be effected, it would be at enormous cost, since at present world prices we would get about \$200,000,000 and pay out more than that sum in subsidies in three years.

WILL THE PASSAGE OF THE BILL ELIMINATE THE PRESENT CHARGE ON THE TREASURY?

Manifestly, this will not be done if the entire fleet is sold and the balanced fleet contemplated by the board is secured, for, as shown above, the charge annually upon the American people will be greater.

But the ships can not be sold for a long time to come according to the testimony of the proponents of the bill, and if not sold then the overhead and other charges must continue. The present charge of \$50,000,000 annually includes a comparatively small part as loss-on-voyage operations. Taking the months of April and May, 1922, the net voyage losses were respectively \$667,751.61 and \$376,445.84. The Shipping Board Emergency Fleet Corporation only operated directly 13 ships, yet on April 30, 1922, there were 1,582 employees in the operating department of the Shipping Board Emergency Fleet Corporation. The remaining vessels operated were a small number under bare-boat charter and the remainder under managing-agent agreements by which these agents operate the vessels on a commission on gross revenue. There are only about 46 companies and individuals operating Shipping Board vessels. When the appropriation of \$50,000,000 was last obtained, the estimate therefor showed only \$5,497,561 for voyage losses, while the residue went to other expenses, such as repairs, betterments, insurance, lay-up expenses, advertising, and \$15,000,000 to administration expenses.

Mr. Lasker said:

It will be a good many years before we do not have any stuff left with most favorable legislation. I want to make it plain here that I do not think the proposed legislation is going to, by the wave of a magic wand, give us a merchant marine.

Again, he said:

We believe that of the 700 good freight ships we have, the Shipping Board would feel very happy if, within 30 months from the time of the passage of this bill, it could dispose of sufficient ships to take care of the routes it is now operating and put the Emergency Fleet Corporation out of business as an operating company.

He says nothing of the rest of the fleet. The expenditure of \$50,000,000 should be reduced by economies in the Shipping Board itself, and otherwise little hope is seen for many years to come.

Chairman Lasker, W. J. Love, and other representatives of the board testified that Shipping Board vessels in competition with privately owned American vessels had been taken off, and that Shipping Board vessels were not operating in competition with privately owned American vessels.

The Shipping Board has never tried out fairly the provisions of the Jones Act. The board seems bent on subsidy and nothing else. By section 7 of the Jones Act the board was directed to establish routes, and if no citizen can be found to supply satisfactory service the board should operate vessels on such lines until the business is developed so that such vessels may be sold on satisfactory terms and the service maintained, or unless it shall appear within a reasonable time that such lines can not be made self-sustaining; existing lines were authorized to be maintained until, in the opinion of the board, the

maintenance is unbusinesslike and against public interests, and the Postmaster General was authorized, notwithstanding the terms of the ocean mail pay act of March 3, 1891, to contract for carrying the mails over such lines and at such prices as might be agreed upon by the board and the Postmaster General.

Instead of making energetic efforts to carry out the provisions of the section, every effort seems to be to discredit the operation of these lines. One thing that might be done would be to get rid of a board which constantly wails it can do nothing and get one that will at least try to do something else than belittle the fleet, advertise its own incompetency, and bend all its efforts to impose heavy burdens on the American people.

Complaint is made that the minority offer no solution. One material factor in the solution would be the abandonment by the majority party of a tariff policy which will stop the exchange of goods. The merchant marine act of 1920 was hailed as a boon to shipowners, but it is said that the inability to put into effect section 34 of that act destroyed its vitality, and yet Chairman Lasker and Mr. Marvin, vice president of the American Steamship Owners' Association, both claimed that the proposed deduction from net Federal income taxes of 5 per cent of the freight paid on goods imported or exported in American-flag vessels, which was provided as a substitute for said section 34, would prove more valuable and effective. It is unreasonable to ask the minority to offer a substitute for the pending bill when the right to summon witnesses was denied and information called for was not produced. Secretary Denby, after testifying in chief, promised to return for cross-examination, but later advised that he would be unable to do so. With as much force it might be urged that the defendant in court should establish an affirmative defense when the right and opportunity to do so had not been afforded. The minority are as anxious as anyone else to terminate Government ownership and to place an American merchant marine on the seas, but it desires to do so with due regard to the taxpayers of America, and it refuses to play the rôle of a rubber stamp for the United States Shipping Board.

The idea seems to exist that unless this bill is passed nothing can be done. That is untrue unless the party in power is false to its trust and recreant to the rights of the people. The committee may assume its proper responsibility and refuse to serve as a mere conduit between the Shipping Board offices and legislative halls, undertake to investigate conditions, and to find remedies, with due regard to the rights of all, rather than to serve as a forum in which the Shipping Board shall register its will.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. EDMONDS].

Mr. EDMONDS. Mr. Chairman, I am not a Philadelphia lawyer, and not having the eloquence of the gentleman from Georgia I am probably not able to explain the bill as well as he is. However, I think the gentleman will agree with me that I did the best I could in the hour and a half that I was explaining the bill.

Mr. BRAND. I want to say that the gentleman certainly did.

Mr. EDMONDS. I did the best I could in the time I had. I made no attempt to deceive and say the subsidy did run over a year, because it does not. The subsidy stands on its own basis each year. Of course, if they made only 9 per cent in three or four years it is not possible that they are going to earn 30 or more per cent in one year so as to even return the whole of that year's compensation. We studied the matter very carefully in subcommittee, the committee of Republicans that framed the bill.

Now, I want to answer the gentleman from Kansas. Yes; we pay the Standard Oil Co. a subsidy for their oil tankers. I told you that the other day, and I tell you so now. The gentleman spoke about the United Fruit Co. Nobody knows better than the members of the committee that the greater proportion of the service for this country in the Caribbean Sea is carried in the boats of the United Fruit Co.; they carry passengers and freight the same as any Atlantic liner.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. MOORE of Virginia. What would be the maximum rate paid to the Standard Oil Co. and the United Fruit Co.?

Mr. EDMONDS. A great many oil boats will receive the subsidy. We did not want to pay it; we spent several days on it; but gentlemen should not forget that if this country goes to war the first thing you will be looking for will be oil tankers, and you will need them badly. We decided that when it came to the 5 per cent deduction on the income tax they were not entitled to it where they hauled their own freight. But we

decided that in all probability for war purposes we had better pay the subsidy to the Standard Oil ships. However, we put a provision in the bill—

Mr. BOX. Will the gentleman yield?

Mr. EDMONDS. I will yield to the gentleman from Texas.

Mr. BOX. Does the gentleman contend that the Standard Oil Co. is not furnishing all the ships that are necessary to do their business?

Mr. EDMONDS. I have not any idea about it; I presume they do.

Mr. BOX. Does the gentleman think they will build more under this provision?

Mr. EDMONDS. I understand they have built 13 since the war was over. I do not know whether they will build any more or not.

Mr. LARSEN of Georgia. Will the gentleman yield?

Mr. EDMONDS. Yes; briefly.

Mr. LARSEN of Georgia. In the opinion of the gentleman, does he think the Standard Oil Co., in order to carry their products, needs this subsidy?

Mr. EDMONDS. I do not think they do.

Mr. LARSEN of Georgia. Then, why do you give it to them?

Mr. EDMONDS. To keep their ships under the American flag so that in case of war we could take them.

Mr. LARSEN of Georgia. Does the United Fruit Co. need it?

Mr. EDMONDS. Only 20 per cent of their invested capital is in ships. Gentlemen get up on the floor and speak about the enormous profits of the United Fruit Co. If there is 20 per cent of capital invested in ships and they earn over 10 per cent, we get the subsidy back.

Mr. LARSEN of Georgia. Do they need it in order to conduct their business?

Mr. EDMONDS. No; they do not, but they make the most of their profits out of side issues. They run sugar plantations; they run coconut plantations; they run banana plantations; they run all kinds of institutions through Central and South America.

Mr. LARSEN of Georgia. You propose to give them a subsidy, but you do not know how much?

Mr. EDMONDS. We do not want to make fish of one and fowl of another.

Mr. LARSEN of Georgia. Speaking of discrimination, does not the gentleman think that the agricultural interests are discriminated against?

Mr. EDMONDS. The gentleman is speaking of the subsidies that go to the agricultural interests?

Mr. LARSEN of Georgia. No.

Mr. EDMONDS. Did the gentleman ever find anyone objecting to any money that was given to the farmers?

Mr. LARSEN of Georgia. I have never found any money given to the farmers. Why do you give it to all these other interests and not give it to the farmer?

Mr. EDMONDS. Why does not the gentleman put in a bill to attain that end?

Mr. LARSEN of Georgia. You Republicans probably would not favor it.

Mr. EDMONDS. The gentleman does not know whether we would or not.

Mr. LARSEN of Georgia. Why does not the gentleman put it over? Why does he not give it to the Steel Corporation?

Mr. EDMONDS. I never owned a dollar of stock in the Steel Corporation in my life. I am trying to explain why we did this, and if the gentleman does not like it he can vote to take it out. You say you have got the votes on your side.

Mr. LARSEN of Georgia. You gentlemen are in charge of the bill, but if you left it to me I would take it out.

Mr. EDMONDS. Well, the gentleman is taking up all my time. I want to say another thing. The United States Steel Co. is operating in a commercial business. They carry other people's products around throughout the world, and just because they happen to be owned by the United States Steel Co., you are going to hit at them, but we have inserted a precautionary paragraph in which we say that only a portion of their capital that is invested in these lines can be considered in connection with the 10 per cent profit margin, so far as the subsidy is concerned.

Mr. J. M. NELSON. Do they get anything of the 5 per cent income-tax provision?

Mr. EDMONDS. They do not. A statement was made here by the new recruit of the Democratic Party [Mr. GAHN] that they get 5 per cent income-tax reduction. Of course, after we got through with the bill in June, which the gentleman from Ohio [Mr. GAHN] helped to prepare and was very conversant with, he came to me and said, "Please give me something that I can get on the floor and argue about." I said, "Very well,"

and I told him to take a certain section and to study it. He took it away with him, went home, and after being defeated came back and joined the Democratic Party, and then decided that he did not like the shipping bill which he had helped construct. He got up on the floor after being in all of the Republican conferences and made the statement that the 5 per cent income-tax proposition was granted to the corporations. We were very careful about that. We fought for two days over the fact of paying the subsidy to these corporations and we did the best we could, using every precaution, so that they would not get anything more than we thought best to give them to protect ourselves in case of war.

Mr. J. M. NELSON. What section does that appear in?

Mr. EDMONDS. About the 5 per cent clause?

Mr. J. M. NELSON. Yes.

Mr. EDMONDS. Clause (b), page 20. Some gentlemen referred to the Atlantic, Gulf & West Indies Line. I think it has 70 or 80 vessels, but only 6 of them are engaged in the foreign trade. Enormous profits are made by that line in the coastwise trade, it is said, and then it is charged that we are going to give them a subsidy. They can only get a subsidy on their vessels engaged in the foreign trade. The word "subsidy" has been killed in this country in connection with the merchant marine by playing favorites, and the first thing we did in this bill was to make up our minds that we would not play favorites; that we would be square with each and every one of the people connected with the shipping industry, and we limited the subsidy given, and when they made 10 per cent profit half of all above that was to be returned to repay the subsidy.

Mr. HARDY of Texas. Would it not be very easy for the United Fruit Co., if they made a profit on their shipping of more than 10 per cent, to juggle their books in such a way that their profit would inure to the other activities of that company?

Mr. EDMONDS. There is an arrangement made in the bill whereby they had to separate their business, and, further than that, the arrangement made for deductions and capital are to come through the Internal Revenue Department of the Treasury.

Mr. HARDY of Texas. I have seen that division of earnings and losses made in other businesses. The United Fruit Co. have banana fields and sugar fields and every kind of property under the sun. It would be very easy for them to make all of their profits inure to those other lines and never get above 10 per cent profit in shipping.

Mr. EDMONDS. What the gentleman says may be perfectly true. I do not want to say they would or would not. If they are honest, they would not do such a thing.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield the gentleman five minutes more.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. BLANTON. Concerning the disclosure made by the gentleman from Virginia [Mr. BLAND], I want to ask the gentleman a question concerning the President's understanding of this bill. I quote from what the President said in his address on Tuesday last:

It provides that shipping lines receiving Government aid must have their actual investment and their operating expenses audited by the Government; that Government aid will only be paid until the shipping enterprise earns 10 per cent on actual capital employed, and immediately that when more than 10 per cent earning is reached half of the excess earnings must be applied to the repayment of the Government aid which has been previously advanced.

A fair construction of the President's language is that all of the Government aid that has been advanced through any term of years will be returned whenever the excess of 10 per cent amounts to the subsidy grant.

Mr. EDMONDS. I do not know what the President's idea was. He may have thought that he was putting it into good language, and he meant it. We have it written in the bill that each year stands on its own bottom.

Mr. BLANTON. The statement of the gentleman from Virginia was a revelation to me.

Mr. EDMONDS. If the gentleman had asked me that question when I was on my feet the other day, I would have told him, because I do not want to misstate anything.

Mr. BLANTON. Oh, I know the gentleman would not misstate anything and would have told if he had been asked.

Mr. EDMONDS. We have drawn up the bill as best we could. First, we have done what we think will put an American merchant marine on the seas. You gentlemen object to it, and you have a right to your own views, but I am trying to say to you that this is our opinion.



Mr. HARDY of Texas. In that particular I think the President has misconstrued the bill.

Mr. EDMONDS. He may have. His language is a little equivocal there, and he may have thought that he was expressing what he wanted to express.

Mr. RAKER. Was all of the American tonnage during the last two years in operation?

Mr. EDMONDS. I will answer that question with figures that have come to me to-day, and this will answer the question asked me the other day by the gentleman from New York [Mr. LONDON]. This table which I have received I shall put into the RECORD at this point:

Total American tonnage in the overseas trade, approximately 662 vessels, total dead-weight tonnage 5,976,594.

Percentage Shipping Board vessels.....	55.7
Percentage Shipping Board tonnage (dead-weight tons).....	61.9
Privately owned American tonnage, outside of the Shipping Board, exclusive of tankers, as of July 1, 1922, approximately 294 vessels (dead-weight tons).....	1,931,038
Shipping Board vessels in overseas trade, exclusive of tankers, as of Nov. 1, 1922, approximately 368 vessels (dead-weight tons).....	3,145,556
Total number Shipping Board vessels, exclusive of tankers, 1,290 vessels (dead-weight tons).....	9,059,388
Total number of lake-type vessels, 362 (dead-weight tons).....	1,268,965
Lake type, percentage.....	28.05
Lake type, percentage (dead-weight tons).....	14.07

The reason that is made as of the 1st of November in one particular and as of the 1st of July in the other, is because the Shipping Board has theirs up to date, and the last report of the other lines is as of July 1.

Mr. RAKER. Take the amount of American tonnage privately owned during the last two years. What has been the condition financially? Have they made money or lost it?

Mr. EDMONDS. I believe some of the coastwise ships have made money, and in the foreign trade some of the boats made money and some did not. The man who ran a large number of cargo boats did not make much money, probably lost money. I think the Atlantic, Gulf & West Indies Line report shows that they lost \$1,500,000 last year. That takes in all of their operations.

During the debate on the shipping bill a number of questions were asked of me which I am now going to try and answer.

One gentleman asked me the present status of subsidies paid by different countries. I have been furnished by Mr. E. T. Chamberlain, of the Department of Commerce, with the following data, which, while in one or two particulars covers amounts which are explained in the summary, shows that there has been a considerable advance in the amounts paid for subsidies recently. I am printing this as received from the department for the information of the Members:

*British Empire.*

[Pound sterling, par \$4.86, current \$4.49.]

	Amount.	At current exchange.
<b>GREAT BRITAIN.</b>		
British foreign and colonial packet service (budget, 1922-23).....	£672,200	\$3,018,178
Naval reserves (budget, 1922-23).....	548,300	2,439,417
Royal reserve of merchant cruisers, 1922-23.....	130,000	583,700
Merchant ships (budget, 1922-23).....	45,000	202,050
Total.....	1,395,500	6,243,345
<b>CANADA.</b>		
Mail subsidies and subventions (budget estimate for 1922).....	\$1,033,800.00	1,033,800.00
Loss on Canadian Government Merchant Marine Co. (Ltd.), to Dec. 31, 1921.....	9,116,144.00	9,116,144.00
Total.....	10,149,944.00	10,149,944.00
	(£2,260,566.59)	
<b>AUSTRALIA.</b>		
Contract ocean mail payments (1922).....	£176,500.00	792,485.00
Fiji Islands.....	12,000.00	53,880.00
Commonwealth Government Fleet (first cost of fleet to June 30, 1922, was £14,518,789; net earnings without allowance for interest and depreciation, £7,371,053):		
Difference.....	7,147,736.00	32,093,334.64
Completion shipbuilding program.....	2,100,000.00	9,429,000.00
Total.....	9,436,236.00	42,368,699.64
<b>UNION OF SOUTH AFRICA.</b>		
Castle mail contract, October, 1922.....	9,171,000.00	767,790.00
Grand total.....	13,258,302.59	59,529,778.64

*France.*

[Franc, par=19.3 cents; current exchange=7.2 cents.]

	1914	1923	1923
	Francs.	Francs.	Current exchange.
Construction bounties.....	18,000,000	Nothing.	.....
Navigation bounties.....	18,500,000	3,000,000	\$216,000
Mail subvention to Corsica.....	550,000	2,500,000	180,000
Mail subvention to Far East, Australia, New Caledonia, Madagascar, East Coast of Africa, Eastern Mediterranean.....	17,587,830	40,000,000	2,880,000
Mail subvention to New York.....	6,000,000	2,500,000	180,000
Mail subvention to French West Indies, Mexico, Central America.....	4,878,000	4,398,000	316,656
Mail subvention to Algeria, Tunis, Tripoli, Morocco.....	1,450,000	Nothing.	.....
Mail subvention to Brazil, Argentina, and River Plata.....	3,218,280	16,000,000	1,152,000
Total.....	70,184,140	68,398,000	4,924,656
Fisheries fleet.....	1,800,000	1,000,000	72,000
Encouragement of fisheries.....	3,060,000	1,534,000	110,448
Grand total.....	75,044,140	70,932,000	5,107,104

\$14,483,519, franc at par=19.3 cents.

*Norway.*

[Krone, par 26.8 cents, current 18.4 cents.]

	Kroner.	Converted at current exchange.
Subsidies (budget estimates, 1922-23).....	15,000,000	\$2,760,000

*Denmark.*

[Krone, par 26.8 cents, current 20.3 cents.]

	Kroner.	Converted at current exchange.
Mail contracts, 1920-21.....	1,129,341	\$229,256

*Sweden.*

[Krone, par 26.8 cents, current 26.8 cents.]

	1920	1921	Converted at current exchange.
	Kroner.	Kroner.	
Loans to shipowners.....	3,230,000	4,058,000	\$1,087,544
Refunds to shipbuilders of duties on imported materials.....	873,094	( <sup>1</sup> )	.....
Mail subsidies.....	80,000	80,000	21,440
Total.....	4,183,094	4,138,000	1,108,984

<sup>1</sup> Not stated.

*Italy.*

[Budget estimates 1922-23. Lira, par 19.3 cents; current 4.7 cents.]

	Lira.	Converted at current exchange.
Closing combined navigation and construction bounties under war legislation.....	308,000,000	\$14,476,000
Mail and navigation bounties to Italian contract lines.....	160,000,000	7,520,000
Mail and navigation bounties to Italian lines formerly Austro-Hungarian.....	140,000,000	6,580,000
Total.....	608,000,000	28,576,000

*Japan.*

[Budget 1922-23. Yen, par 49.8 cents; current 48.5 cents.]

	Yen.	Converted at current exchange.
Mail and navigation contract subsidies.....	9,965,797	\$4,833,411

*Brazil.*

[Budget 1922-23. Milreis, par 32.5 cents; current 12.8 cents.]

	Milreis (paper).	Converted at current exchange.
Mail and navigation subsidies.....	23,095,000	\$2,956,160

## Spain.

[Peseta: Par, 19.3 cents; current, 15.3 cents.]

	Pesetas.	Converted at current exchange.
Mail contracts and subsidies, 1921.....	21,570,025	\$3,300,214

The Spanish cabinet in March, 1922, decided to increase subsidies to an amount not to exceed 50,000,000 pesetas (\$7,650,000), and as Spanish subsidies are revised every two years, it is assumed that the revision is under consideration and will take effect in 1923.

## Belgium.

The Belgian Government, by the act of July 16, 1916, is authorized to guarantee interest and amortization on 100,000,000 francs of bonds issued by the Lloyd Royal Belge Steamship Co. and to take over 75,000,000 of these bonds issued in 1920 and 25,000,000 francs issued in 1921.

## Germany.

[Mark: Par value, 23.8 cents; current exchange fluctuation at between one and two hundredths of a cent.]

The German Government appropriated in February, 1921, 12,000,000,000 marks to German shipowners to pay for their ships surrendered, on the basis of the subsidy law of November, 1917. At the time it was believed this amount would rebuild in German yards 2,500,000 gross tons. Since then the Government has printed paper marks so fast that shipowners and shipbuilders, through the bank which distributes the fund, demanded, in September, 1922, an additional 24,000,000,000 marks, and the arbitration court has decided the Government must add 18,000,000,000 marks to the shipowners' subsidy between September, 1922, and March, 1923. This additional amount, however, has not yet been voted by the Reichstag and printed by the presses. The Berliner Tageblatt says German shipowners insist on freight rates and passenger fares being paid in foreign exchange, while they pay wages and general costs of operation, where possible, in paper marks.

## Summary.

In the following summary of the above item it should be noted:

1. That the amount for Australia is very large, because a main item is a statement of the difference between the first cost of the Commonwealth fleet and the amount of net earnings from 1916 to July, 1922, used by Premier Hughes to show the fleet could probably be sold for the amount of the difference. The actual loss or subsidy could be determined only by selling the fleet.
2. The largest Canadian amount is for losses on the Government fleet for several years, carried to the account for the past year.
3. British naval reserve appropriations are included in naval estimates.

Great Britain.....	\$6,243,345
Canada.....	10,149,944
Australia.....	42,368,199
South Africa.....	767,790
British Empire.....	\$59,529,278
France.....	5,107,104
Norway.....	2,760,000
Denmark.....	229,256
Sweden.....	1,108,984
Italy.....	28,576,000
Japan.....	4,831,411
Brazil.....	2,956,160
Spain.....	3,300,214
	108,398,409

Another inquiry was as to the present status of employees of the Shipping Board. I am supplying a table showing the present number of employees of the board, and at different times during the occupancy of the present board, and the amounts of money paid them:

## United States Shipping Board Emergency Fleet Corporation.

## COMPARATIVE STATEMENT OF PERSONNEL—FUNCTIONAL GROUP.

Functional group.	Employees.			Salaries.		
	June 30, 1921.	June 30, 1922.	Nov. 15, 1922.	June 30, 1921.	June 30, 1922.	Nov. 15, 1922.
United States Shipping Board.....	145	113	140	\$325,511	\$316,673	\$367,861
President Emergency Fleet Corporation.....	1,051	440	406	1,707,497	805,380	801,600
Operating vice president.....	1,845	1,520	1,334	4,066,106	2,978,830	2,754,773
Vice president and general manager.....	183	185	190	383,010	466,000	460,680
Director of finance.....	3,430	1,553	1,255	6,398,841	3,250,119	2,681,659
Director of sales.....	1,498	951	835	2,488,455	1,542,419	1,286,749
General counsel.....	172	320	319	491,980	1,099,821	1,079,401
Total.....	8,324	5,083	4,479	15,861,400	10,519,242	9,432,723
Less separations ordered but effective on future rolls.....			44			136,440
Total.....						9,296,283

United States Shipping Board Emergency Fleet Corp.—Contd.  
COMPARATIVE STATEMENT OF PERSONNEL—STATIONS.

Stations.	Employees.			Salaries.		
	June 30, 1921.	June 30, 1922.	Nov. 15, 1922.	June 30, 1921.	June 30, 1922.	Nov. 15, 1922.
Home office (Washington).....	2,086	1,891	1,730	\$4,129,470	\$4,584,352	\$4,196,978
Boston.....	152	161	136	253,576	238,871	193,778
New York.....	1,901	1,093	967	3,638,577	2,156,414	2,020,415
Philadelphia.....	1,437	780	706	2,664,615	1,256,746	1,074,890
Baltimore.....	314	89	70	609,735	177,529	133,375
Norfolk.....	463	285	202	818,990	442,057	329,324
New Orleans.....	555	218	175	1,017,938	390,387	344,685
San Francisco.....	738	338	259	1,493,613	666,223	534,388
European.....	589	141	132	980,463	426,460	399,580
Foreign other than European.....	89	87	102	214,423	180,203	205,310
Total.....	8,324	5,083	4,479	15,861,400	10,519,242	9,432,723
Less separations ordered.....			44			136,440
Total.....						9,296,283

<sup>1</sup> Includes Savannah.

<sup>2</sup> Includes Mobile and Galveston.

<sup>3</sup> Includes Portland and Seattle.

Another gentleman made inquiry for a report of the comptroller of the Shipping Board. Herewith follows a report from the comptroller with a letter of explanation of same:

UNITED STATES SHIPPING BOARD  
EMERGENCY FLEET CORPORATION,  
DIVISION OF OPERATIONS,  
Washington, November 24, 1922.

HON. GEORGE W. EDMONDS,

House of Representatives, Washington, D. C.

DEAR SIR: Pursuant to your telephone request, I herein beg to inclose statement of estimated operating results of the United States Shipping Board Emergency Fleet Corporation for the four months from July to October, 1922, inclusive.

The word "estimated" is used only because certain portions of certain voyages which have been terminated have not, as to their expenses, yet been confirmed by vouchers which must be received from abroad. That amounts to a very small percentage of the total, and our experience is such that we can very closely gauge what it should be, but for purposes of accuracy we term the statements as "estimated." In fact, they are actual.

You will note that the total loss (without, of course, taking into account anything for capital charges, to wit, interest, insurance, or depreciation) amounts to \$13,058,593.37. Out of this, however, there is a general and administrative expense not directly applicable to operation of vessels, of \$2,197,513.24 for the period. This general and administrative expense is in connection with the liquidation of the assets that remained over in plant and material from the previous board, as well as expense in connection with settlement of tens of millions of dollars of construction claims.

You will note from the summary that this total loss is divided as follows:

	Loss on operations.	Total loss.
July.....	\$2,242,714.14	\$2,783,096.13
August.....	2,662,728.62	3,268,507.76
September.....	3,140,860.53	3,652,769.81
October.....	2,814,776.84	3,354,219.67
Total.....	10,861,080.13	13,058,593.37

For purposes of round figuring, we will say that the loss for the period of four months has been \$11,000,000. As this is one-third of the year, should the loss keep on on this basis it would be \$33,000,000 for the year; but anyone who estimates that the loss of the Shipping Board for the year will be \$33,000,000 deceives himself. In the first place, the four months covered are the most favorable months in the year as to passenger earnings. I estimate within that period almost half of the passenger earnings of the whole 12 months accrue. It must be remembered that the summer is the great ocean passenger traveling period. The result is that while in so far as cash outlay goes the operations of passenger ships have shown very little loss in the period covered, for most of the ensuing eight months of the fiscal year the loss will be, we estimate, \$1,800,000 more than it was for the first four months.

Our total loss of the Shipping Board has been \$13,058,593.37 for the first four months. During that period we not only had the peak of passenger earnings but we spent practically no moneys in extraordinary repair of ships. We now find that there are absolutely necessary structural changes which must be made in our twenty-three 535-foot passenger ships within the next four months, which will amount to \$3,000,000. These extraordinary structural changes are imperative. There were no sums expended for extraordinary changes in any of our ships in the first four months; thus this constitutes an additional loss.

Because of adverse operating conditions during the next six months our monthly operating loss will increase by \$500,000 for that period. The months of May, June, July, August, September, and October are favorable to operation. From November 1 to May 1 are the months of storms on the seas, when the operating expenses increase. So that for the six months' period to come if we operate on the same economical basis as the last four months, the normal increase for the six months in loss for this item will be \$3,000,000.

Our fuel-oil contract on the eastern coast expired November 11. We advertised for bids, and had all companies in America bid for renewal



of the contract for a year. Beginning with November 12, we had to make a new contract at the lowest price we got as a result of advertised bids, wherein our cost for oil was increased 50 cents per barrel. We are using 1,000,000 barrels of oil per month, so you see that even with the same economical operations as the last four months the increased cost at the increase of 50 cents per barrel will amount to a total of \$4,000,000.

Thus we come to the following totals:

Our loss for the first four months, including \$2,197,513.24 for expenses not directly applicable to operation was—	\$13,058,000
The immediate expenditures for structural changes to be made within the next four months on the twenty-three 535-foot passenger ships will be—	3,000,000
Additional losses due to adverse operating conditions for the six months, at \$500,000 per month—	3,000,000
Increased cost of oil, based upon increase of 50 cents per barrel and the use of 1,000,000 barrels monthly for eight months—	4,000,000
Decrease in passenger earnings for winter months, six months, at \$300,000 per month—	1,800,000
Estimated losses for eight months, November to June, inclusive, on the basis of the loss for the past four months but not including the four added items immediately given above—	26,116,000

Total estimated losses for the fiscal year 1923— 50,974,000

Of course, in this loss is included the general and administrative expense not directly applicable to operation of vessels. As this was \$2,197,513.24 for the first four months, if it kept on at the same rate it would be approximately \$6,600,000 for the year. So, taking this off of the total estimate of \$50,974,000, the total loss for the year would give us an operating loss of approximately \$44,000,000. However, the loss for the current fiscal year will come nearer to \$50,000,000, for the reason that freight rates are constantly dropping. Our total estimated loss of \$44,000,000 for operating alone is based on the experience now of recorded results to such an extent that as comptroller I do not hesitate to aver that it can not be less, and that the estimate constitutes the only proper and correct forecast obtainable for the Shipping Board's operations for this year. I do not allow myself any appreciable latitude to be wrong.

However, what the decrease in freight rates will be is not within the purview of a comptroller. The figures I am about to give come from our operating officials, who, after we arrived at the forecast of losses given above, brought to my attention the constant drop in freight rates and insisted that we must allow an additional \$6,000,000 to \$10,000,000 for decrease in this direction.

To give you some actual figures, let me state that in July of this fiscal year the Shipping Board ships carried 794,447 tons of freight, for which they received \$5,693,912.86, or \$7.18 average revenue per ton.

In August we carried 976,236 tons, for which we received \$6,524,620.57, or \$6.68 average per ton. In September—the last figures available—we carried 1,029,185 tons, for which we received only \$5,614,665.58, or merely \$5.45 per ton.

The most interesting part of this is that in the months of August and September of this year we carried the same number of tons, practically, as last year. We received almost \$22,000,000 for the tonnage carried for the two months last year, as against a little over \$12,000,000 for the same tonnage this year.

You can thus see that with the constant monthly drop in freight rates the loss for the next eight months, even with increased efficiencies in management, must be larger than for the four months actually given here.

The Shipping Board is not cutting rates. Most of the rates are the same on all lines. The decrease in freight rates is due to decrease in general cargoes offered, though the Shipping Board, fortunately, has been able, in face of these hard times, to maintain its volume of business carried.

To sum up, the four months just passed were extremely favorable to the best possible showing, for passenger earnings were at their peak, the season of the year was favorable from weather conditions for ship operations, oil was being purchased at two-thirds of the price on the east coast that will be paid for the balance of the year, and there were no extraordinary expenditures for structural repairs. Further, fortunately, in those four months we had not felt the full effect of declining freight rates. So that, based on the actual losses during the four months just closed, a conservative estimate of the losses for the fiscal year still remains at \$50,000,000, in spite of every effort in efficiency that may be made or retained to hold same low.

That the board is making every effort to make the losses as small as possible is evidenced by the fact that the losses from April to September of this year—the last figures available—are something over \$30,000,000 less than the losses for the same six months of last year. Of the six months covered last year, three months were under the present board and the major share of the losses occurred under the prior board. Thus the board's record of successful endeavor to curtail losses is attested in the actual audited figures of results. But even with this aggressive curtailment the present fiscal year will show a loss of at least \$50,000,000.

It might be of interest for me to call to your attention that the losses in the last fiscal year, November to June, inclusive (during which period the present Shipping Board had gotten operations pretty well in hand), were approximately \$30,000,000. The loss for the same period this year must be greater, because of the unbelievably unfavorable freight market now operating, the lowest possibly ever known in modern ship operations. It is obvious to see that no economies, no matter how great, can overcome the more than 40 per cent decline in freight rates this year as against last year. When rates will harden is not to be estimated; the disjuncting of world trade, the excess of tonnage existing through the war, Germany's present building program, and the extensive Government operations by the United States are all given by expert shipping men as contributing to the unfortunate situation.

Of course, even if freight rates should improve some time within the next 24 months, the losses of the Shipping Board would not be comparably reduced, for it must be remembered that the fleet is constantly getting older and that the Shipping Board has not spent nearly enough in upkeep and repairs. Upkeep and repairs have been neglected, because the board had to operate within its appropriations, and the entire appropriation it received from the Congress has been used in operations. As soon as freight rates get at all better the board must spend large sums in keeping up its ships if the deterioration is not to be ridiculously fast. Thus, for some period to come, if the assets under the board are to be properly cared for, there is no relief in sight from the losses now being recorded.

If there is any further illumination or explanation needed by you or any Members of the House, it will be my pleasure to promptly furnish same.

Very truly yours,

P. SINCLAIR, Comptroller.

United States Shipping Board Emergency Fleet Corporation.

ESTIMATED OPERATING RESULTS FOR FOUR MONTHS, JULY TO OCTOBER, INCLUSIVE, 1922.

Vessel classification.	Voyages terminated.	Cargo tons.	Revenue.	Expense.	Direct—	
					Loss.	Gain.
Freighters.....	467	3,512,179	\$20,292,805.13	\$21,567,969.08	\$1,275,163.95	.....
Passenger and cargo (46,554 passengers).....	70	429,501	10,485,897.22	8,948,526.00	.....	\$1,537,371.22
Tankers.....	98	887,746	1,420,973.78	798,723.13	.....	622,250.65
Tugs.....	86	.....	315,279.57	287,881.30	.....	27,398.27
Total.....	721	4,829,426	32,514,955.70	31,603,099.51	1,275,163.95	2,187,020.14
Net direct gain.....	.....	.....	.....	.....	.....	911,853.19
Charter hire earnings.....	.....	.....	.....	.....	.....	183,764.50
General expenditures:	.....	.....	.....	.....	.....	1,095,620.69
Insurance (including P. & I.).....	.....	.....	.....	1,757,803.70	.....	.....
Insurable repairs.....	.....	.....	.....	773,341.69	.....	.....
Other repairs.....	.....	.....	.....	3,749,243.28	.....	.....
Lay-up expenses.....	.....	.....	.....	1,631,502.49	.....	.....
Fuel cost adjustments.....	.....	.....	.....	761,522.77	.....	.....
Administrative operating expenses:	.....	.....	.....	.....	.....	.....
Salaries and wages.....	.....	.....	.....	2,172,829.37	.....	.....
General expense.....	.....	.....	.....	1,110,457.61	.....	.....
Total general expenditures.....	.....	.....	.....	.....	.....	11,956,700.82
Net loss on operations.....	.....	.....	.....	.....	.....	10,861,080.13
General and administrative expenses not directly applicable to operation of vessels.....	.....	.....	.....	.....	.....	2,197,513.24
Total loss for 4 months.....	.....	.....	.....	.....	.....	13,058,593.37

SUMMARY.

	Loss on operations.	Total loss.
July.....	\$2,242,714.14	\$2,783,096.13
August.....	2,662,728.62	3,208,507.76
September.....	3,140,860.53	3,632,769.81
October.....	2,814,776.84	3,354,219.67
Total.....	10,861,080.13	13,058,593.37

Numerous statements have been made from time to time as to the tremendous profits made by certain steamship lines. I have reports of the investigation of the principal steamship lines mentioned as made by William Craemer, special assistant to president in charge of finance of the Shipping Board. This report was submitted to Commissioner Lissner and furnished by him to me:

OPERATIONS AND FINANCES OF LEADING AMERICAN STEAMSHIP OWNERS.  
AUGUST 2, 1922.

To Commissioner MEYER LISSNER:

In reply to your request that I develop the facts with reference to the contention of some opponents of ship subsidy legislation that American shipowners made such large profits during the war years as to enable them to distribute enormous amounts to their stockholders, and in addition build up such substantial surpluses as to put them in unusually strong financial condition and thus make entirely unnecessary any governmental aid at this time, I wish to say that the examination I have made of the financial reports of some of the larger American shipowning companies demonstrates this theory to be clearly misleading and based only on a most superficial and incomplete analysis of the facts.

At the outset I would like to point out that this contention of the opponents of the ship subsidy, even in its widest application, can apply only to those few companies organized prior to the war and whose tonnage was acquired at "pre-war" prices. It entirely ignores that much larger group of shipowners and operators whose investment was made during the period of high prices and who have either been wiped out by the reduction in ship values, or who are entirely dependent on some form of governmental aid to save the remainder of their fast disappearing investment.

The profits earned by the American shipowner during the war were restricted by governmental action, so that the return on his investment was very materially less than that earned by his foreign competitors. In this way any possible advantage along these lines was more than offset by the larger earnings accruing to foreign owners whose profits were not similarly restricted by the action of their governments.

This is clearly illustrated by the fact that during the period of the highest freights all American ocean-going tonnage was under requisition to the Government, and the owners' return limited thereunder to the comparatively moderate charter rates established by the Shipping Board, whereas at the same time this Government was paying for foreign tonnage rates more than double those established for American owners.

Then, too, Government taxation reduced the earnings of the American owner to a point far below that of his foreign competitors. Japanese and neutral owners were not burdened with the excessive taxes levied in this and other allied countries, and Great Britain by pursuing a more liberal policy with reference to deductions for depreciation very greatly reduced the proportion of war earnings returned to the Government. As a result of these conditions, it is evident the foreign competitors of American shipowners were benefited to a much greater extent by war activities and were enabled at the same time to write off their investment in ships to a value approximating much closer the present world market price for ships.

This makes it evident, I believe, that the period of large earnings which commenced in 1915 or 1916, and terminated so abruptly in 1920, instead of assisting him has made it more difficult for the American shipowner to compete with his foreign rivals because of the much larger advantages accruing to the foreigner during the same period.

An analysis of the financial reports of the larger American steamship companies which are available discloses that their earnings during the war period were not nearly so large as has been suggested by opponents of the ship subsidy, and also that these earnings have been calculated without deducting the depreciation necessary to write down their investment in ships to a normal value. These earnings are also probably much less than the earnings in other industries during the same period.

The Atlantic, Gulf & West Indies Steamship Co. may be taken as an excellent example as, together with its subsidiaries, it owned more American registry tonnage than any other owner (excepting the large tanker fleets owned by some of the oil companies). The net earnings of this company for the six years ending December 31, 1921, after surplus adjustments, averaged but 8½ per cent of its invested capital (total capital and surplus not including bonded indebtedness). These earnings are calculated without writing down the book value of its ships to anything like their present value. The statement of its earnings for the last six years follows:

	Net income after surplus adjustment.	Invested capital.	Per cent of earnings to invested capital.
1916.....	\$9,514,086.46	\$44,989,288.76	21.15
1917.....	10,271,014.86	51,437,954.12	19.97
1918.....	1,946,315.60	51,196,548.72	3.80
1919.....	5,597,688.75	54,623,474.46	10.25
1920.....	944,665.20	53,503,618.75	1.77
1921.....	2,101,677.76	51,339,311.29	4.09
Average for 6 years.....	4,362,015.52	51,181,699.35	8.52

<sup>1</sup> Loss.

The Pacific Mail Steamship Co. in 1915 reduced the par value of its capital stock from \$20,000,000 to \$1,000,000. This action was made necessary by the large accumulated deficit from operations which up to that time amounted to more than \$11,000,000. The earnings since that date are but a fraction of the loss written off at that time against the capital account. As compared with the reduced capital, the earnings for the five years and eight months ended December 31, 1921, have been at the annual rate of about 18½ per cent.

The detailed earnings for eight months of 1916 and the five calendar years since then are as follows:

	Net income.	Invested capital.	Percentage of net income to invested capital.
1916 (8 months).....	\$528,889	\$4,290,577	12.33
1917.....	1,554,632	4,812,429	32.30
1918.....	886,249	4,627,780	19.15
1919.....	1,776,761	5,241,760	33.88
1920.....	1,277,470	6,428,478	19.87
1921 <sup>1</sup> .....	495,591	5,911,388	8.38
Annual average for 5 years and 8 months.....	975,602	5,273,862	18.50

<sup>1</sup> Loss.

The earnings of the International Mercantile Marine Co. for the four years ending December 31, 1920, averaged slightly over 8 per cent on its investment. I was not able to secure a copy of its report for 1921, but was assured by its officers that the operation of its American flag ships showed a net loss for last year. The annual earnings for the four years ended December 31, 1920, are as follows:

	Net income.	Invested capital.	Percentage of earnings to invested capital.
1917.....	\$11,753,509	\$128,209,079	9.17
1918.....	9,639,026	132,158,299	7.29
1919.....	13,166,114	131,875,785	9.98
1920.....	7,435,802	132,183,316	5.63
Average for 4 years.....	8,398,890	104,885,296	8.01

The United Fruit Co. is primarily a mercantile company and only secondarily a steamship company. Its earnings from its shipping activities constitute, therefore, a relatively small proportion of its total earnings. Unfortunately, the earnings of its steamships are not segregated in its annual reports. It is interesting to note, however, that its earnings from tropical properties and ships for the seven years and three months ended December 31, 1921, have been at the annual rate of less than 16½ per cent of its invested capital. The detailed earnings by years are as follows:

	Net earnings.	Invested capital.	Percentage of earnings to invested capital.
Year ended Sept. 30, 1915.....	\$5,900,522	\$63,107,087	9.36
Year ended Sept. 30, 1916.....	11,943,151	70,634,770	16.91
Year ended Sept. 30, 1917.....	13,037,955	73,990,460	17.62
Year ended Sept. 30, 1918.....	14,094,047	85,356,654	16.51
15 months ended Dec. 31, 1919.....	20,163,518	99,426,223	20.28
Year ended Dec. 31, 1920.....	29,008,307	125,980,011	23.03
Year ended Dec. 31, 1921.....	16,975,763	134,955,774	12.58
Annual average for 7 years and 3 months.....	15,327,347	93,559,660	16.38

These figures demonstrate very clearly that the American shipowner did not make excessive profits during the war period, and I believe it can be said, without fear of contradiction, that the American investor in shipping securities has received a lower return on his investment than the investor in any other industry. This is borne out by the dividend record of the more important American companies.

The common stockholders of the International Mercantile Marine have never received a dividend. The preferred stockholders, although entitled to 6 per cent dividends, have received dividends only since 1917 and there is an accumulation of 42 per cent arrears on account of dividends not paid.

The common stockholders of Atlantic, Gulf & West Indies Steamship Co. have received dividends in but four years since its inception in 1908 and for these four years the rate was 10 per cent. The average annual return on their stock has been less than 3½ per cent. The preferred stockholders received dividends of 5 per cent for less than five years or an average annual return of less than 2 per cent.

The Luckenbach Steamship Co. has never declared a dividend. The large dividends declared by the American-Hawaiian Steamship Co. were, in no small measure, the result of the sale of its ships at war prices and not exclusively of operating earnings.

The Pacific Mail Steamship Co. has declared dividends in but 9 out of the last 49 years, which represent in all a return of less than one-half of 1 per cent on the capital investment.

The American steamship owner would not be in such poor financial straits to-day if the balance of his war earnings not distributed as dividends had been invested in liquid assets. Unfortunately, however, and largely at the solicitation of his Government, these earnings of the good years have been invested in capital assets, such as ships, at prices far in excess of normal or present market. He has been unable to write these assets down to their present value, as to do so would mean, in most cases, changing a surplus account into a deficit on the books.

The vessels of the Atlantic, Gulf & West Indies Steamship Co. are carried on its books at approximately \$174 per gross ton. To write them down to \$100 a gross ton would involve a loss of over \$26,000,000 and would result in a deficit of more than \$4,000,000. To write them down to \$50 a gross ton (which value is probably much nearer their



forced-sale price) would reflect a loss of over \$44,000,000 and leave a deficit on the books in excess of \$22,000,000.

The Luckenbach Steamship Co. carries its vessels on its books December 31, 1921, at a value of \$108 per dead-weight ton. To write these ships down to a normal value of approximately \$50 per dead-weight ton would require a loss of about \$9,000,000, while to write them down to the world market price of \$30 per dead-weight ton would reflect a loss in excess of \$12,000,000.

The passenger and cargo vessels of the Pacific Mail Steamship Co. represent a book value of about \$140 per gross ton. To write these vessels down to a value of \$100 a gross ton would reflect a loss of about \$1,800,000, while to write them down to \$50 a gross ton would show a loss of \$4,100,000, which would turn the surplus of about \$3,000,000 into a substantial deficit.

In conclusion I believe it is true to say that, in spite of rather substantial profits during the exceptional years from 1915 to 1920, the American shipowner is worse off to-day than at the beginning of this period, because of his heavy investments in new and old tonnage at such high prices as to make prohibitive the writing off of these investments to meet present world conditions. It is reflected in the great shrinkage in the market value of the stock of shipping companies whose stock is in the hands of the public, and in the financial statements of the smaller privately owned companies who are unable to pay the remaining balance on their purchase from the United States Shipping Board.

WILLIAM CRAWMER,  
Special Assistant to Vice President  
in Charge of Finance.

Considerable debate upon the floor as to the situation of the immigration section of the bill and its value are contained in the two letters, one from Consul Leslie E. Reed, and approved by Robert P. Skinner, American consul general at London, and one from Mr. T. H. Rossbottom:

(Prepared by Consul Leslie E. Reed, approved by Robert P. Skinner, American consul general.)

APRIL 26, 1922.

In connection with the strong disfavor with which the President's proposals for a shipping subsidy have been greeted in Great Britain, it is of interest to note that the chairman of one of the largest British armor-plate manufacturers and shipbuilders has made a strong argument in favor of a Government subsidy for armament manufacturers during the period of the naval holiday instituted by the Washington Conference on the Limitation of Armament.

At the annual meeting of Messrs. Cammell Laird & Co., Mr. Hinchins, the chairman, pointed out that armor-making shops can be used for no other purpose than to make armor, and that they can not be maintained in idleness for 10 years or longer. He stated that this country can not abandon its armor-making plants in the hope of permanent peace. He is reported to have declared that such action would be the height of folly and that it would be a still greater folly to dissipate the fine staff of experts which the armament firms have gathered together and whose services the country may yet require.

Lloyd's List of April 8, 1922, gives prominence in its editorial column to this situation, saying that "in the exceptional circumstances which these firms have to face for 10 years to come the plea is not without cogency." Further, the editorial says "a subsidy to these armament firms to induce them to hold on to their plant and their expert staffs would not be a costly business to the country compared with the saving which the reduction in the naval program will effect, and it may well be argued that it is better to face a certain annual outlay for subsidizing our armament firms than at the end of 10 years to find ourselves without the means of providing the necessary defenses. After all, such a subsidy would be in the nature only of national insurance against future possible war."

LESLIE E. REED, American Consul.

Copies to Chairman Lasker, all commissioners, Mr. Merrill, Mr. Beecher, Mr. Nicolson.

UNITED STATES LINES,  
New York, May 17, 1922.

HON. A. D. LASKER,  
United States Shipping Board, Washington, D. C.

DEAR MR. CHAIRMAN: During the past few days we have noticed press reports to the effect that consideration is being given to the elimination of that provision in the shipping bill which requires that not more than 50 per cent of the aliens emigrating to the United States shall be carried in vessels of foreign registry.

We had looked forward to this provision as being the most constructive feature in the shipping bill that tends to accomplish the upbuilding and permanence of an American merchant marine in the North Atlantic, operating between Europe and the United States, and we consequently look upon the elimination of this "alien clause" with grave apprehension. Hence our request to you and the other members of the Shipping Board to meet with us and discuss the prospects for the future in the event this important feature of the bill is eliminated.

We have made a careful estimate of the annual earnings of the United States lines that would result from the carriage of first and second class mails, based on actual voyages performed, and have compared same with the earnings that would accrue by reason of the direct aid provided for in the shipping bill.

You will note from that estimate, the details of which you will find in the attached statement, that the United States lines are receiving for the carriage of such mail matter \$1,084,725.80, and that the direct aid provided for in the shipping bill in lieu of earnings for the carriage of first and second class mails which are to be carried without charge is \$1,019,400.

In the inclosed statement we have not made any calculations covering the postal earnings on the three old ex-German vessels, namely, the *Princess Matoika*, *Hudson*, and *Susquehanna*, which are obsolete and will be withdrawn from the trans-Atlantic trade as soon as proper vessels can be secured to take their place.

It is not possible for any steamship line of American registry to operate in the North Atlantic passenger trade unless it is able to secure a reasonable share of the third-class or steerage immigrant traffic. This traffic is the one upon which steamship lines engaged in that trade depend for their successful operation, and it is now controlled almost entirely by the foreign steamship lines with the cooperation of their respective Governments. These steamers of American registry can not compete for this alien traffic without the cooperation of this Government, as expressed by the 50 per cent provision or some equivalent.

It must be borne in mind that the results of the present operations of the United States lines would show a loss if items of insurance, depreciation, and interest were charged against operating income. This situation would be aggravated if the anticipated reduction in passenger rates takes place.

We can not impress upon you too forcibly the necessity for the enactment of the "alien" provision in the shipping bill in order to accomplish the purpose of the Shipping Board to have a privately owned, permanent merchant marine established and in successful operation upon the North Atlantic.

Unless that or some equivalent method is adopted, the steamers at present being operated by the United States lines must continue to be run by the Shipping Board, with a probable drain on the Treasury until the vessels become obsolete, when the United States lines will automatically retire from the North Atlantic passenger trade, leaving that service to be maintained by steamships of foreign registry.

Respectfully submitted,

UNITED STATES LINES,  
By T. H. ROSSBOTTOM,  
General Manager,  
MOORE & McCORMACK (INC.),  
By A. V. MOORE, President,  
By E. J. McCORMACK, Treasurer,  
ROOSEVELT STEAMSHIP CO. (INC.),  
By KERMIT ROOSEVELT,  
By A. E. CLEGG,  
Operating Managers, United States Lines.

In view of the present newspaper agitation regarding the British propaganda, I have made a digest of some of the comments in their newspapers which I desire to submit in this extension of remarks.

Take, for example, the well-known British maritime newspaper, the *Syren and Shipping*, of March 8, 1922, which editorially exclaims that—

There is cold comfort for British shipowners in President Harding's message to Congress supporting the proposals of the United States Shipping Board. Whether the desired subsidy will be forthcoming remains to be seen. It has been demanded before and not granted. But the present campaign for State aid is far more potent than its predecessors.

And this alarmed British editor adds that—

The assistance which the State is asked to furnish is all the more dangerous because indirect, as well as direct, methods are resorted to for fostering a mercantile marine.

And this British maritime journal goes on into a long argument against the American shipping bill, which reads for all the world like a paraphrase of the arguments of the opposing members of the Committee on the Merchant Marine and Fisheries.

There are a great many more of these illuminating quotations. Let us read a few. *Syren and Shipping*, in its issue of March 22, 1922, resumes its editorial discussion of the painful theme of an American merchant marine, exclaiming that—

An examination of the text of this "Merchant marine bill, 1922," does not lead us to alter our views either as to the earnestness of its sponsors in their efforts to establish an effective mercantile marine or the seriousness of the competition which would follow the inauguration of such a wide-reaching plan as is suggested. But the doleful British editor hunts for comfort in the thought that "to many Americans the sea is not a factor of their everyday life. They lack the long experience—and, we might add, the hereditary temperament."

As if there had not been American shipowners and American sailors ever since Plymouth Rock, who sailed the packet ships and clipper ships of the past century; and who manned and fought *Old Ironsides* in 1812, and the *Kearsarge*, when she sent the British-built *Alabama* reeling to the bottom of the English Channel. Manifestly, this British editor of *Syren and Shipping* is whistling mightily to keep his courage up as he sees the Stars and Stripes rising again above the western horizon.

He looks for comfort, as so many of his countrymen have before, to the "western farmers," hoping that they will prove "either apathetic or hostile to the scheme," and thus help Britain out, or to "the Democratic Party."

Indeed, these invocations to the farmers and the Democratic Party to kill this shipping bill and the American merchant marine in the interest of British monopoly of the high seas are frequently nowadays in the British newspapers, industrious reading of which might well give our friends on the other side much food for sober thought. The London correspondent of the *Liverpool Journal of Commerce*, on the basis of telegrams from British "listening stations" in America, gleefully predicts that—

It is not likely that the farmer party will willingly consent to subsidize the United States merchant marine, and if it continues the opposition stand that it at present threatens the proposed subsidy plan is as good as dead, for the farmer vote in combination with the Democrats, who have always been against subsidies, is sufficient to kill the proposition.

"The farmer vote, in combination with the Democrats," is going to save John Bull—is not this a delightful prophecy! How it must swell with pride the souls of those to whom this expectant champion of British sea mastery is referring. He finds "strong-siding champions" of the British cause in the House of Representatives. Whom does he mean? Whom is he aiming at? What mysterious telepathic communications are passing to



and fro over the Atlantic between those who want to beat this bill in England and those who are mustering their forces to defeat it in the United States?

Another famous British maritime organ, *Fairplay*, fairly shouts—

What are we to do in order to hold our own against one of the greatest menaces that the whole country ever had to meet?

But *Fairplay* is forced to acknowledge that the subsidy itself—would not entitle any country to make an attack on the United States, for she is in common with every other nation is entitled to do what she likes with her own.

Of course, *Fairplay* is conscious that it was Great Britain herself that set the example for subsidy in the payments that created the Cunard Line of trans-Atlantic steamers in 1839. *Fairplay* adds impressively that—

though it seems to be expected that for the first year only \$15,000,000 will be drawn from the merchant marine fund for subsidies, it is anticipated that their cost will eventually reach \$30,000,000.

Which, after all, is only a small fraction of the subsidies which the British Government in 80 years has bestowed on the Cunard Line alone.

Then *Fairplay* goes on to quote a lot of British shipowners who to a man declare the American shipping bill to be "most prejudicial" to British interests. One of these Britons despairingly gives up the ship with the acknowledgment that—

I fear there is no logical remedy from our point of view that is likely to have any effect with the Americans, as they, I think, have a perfect right to give subsidies as they are at present placed.

Well, they have—the same right exactly that Great Britain has. This gentleman, it is clear, has no illusions at all that even "the farmer vote" or "the Democratic Party" can save him.

Then there is our old truculent friend Lloyd's List, as British as they make them. It fairly foams at the mouth in contemplation of the Jones Act and its provisions for American control of the American trade between this country and the Philippines. And it proclaims that—

Great Britain could at once retaliate by including in our coasting trade the trade between England, Canada, South Africa, India, and Australia.

A terrible threat, surely—to bar from us a trade in which American ships seldom or ever run. If a Yankee skipper ever gets a cargo from one to another British port, it is only when John Bull is not looking. Speaking of trade to Australia, our British kin adroitly managed some time ago to ban American shipping even in the trade between Australia and the United States. As ex-Senator George E. Chamberlain, commissioner of the United States Shipping Board, pointed out in his address before the convention of the National Merchant Marine Association in Washington March 4 last:

If two shipments of the same material are made, say, from Chicago, both consigned to Australia, but one goes by rail through the United States to San Francisco and thence to destination, and the other goes through Canada to Vancouver and thence to destination, they are treated differently by the Australian customs officials, when assessing value for the customs tax, as follows:

The shipment from San Francisco has the United States rail freight charge added to the ad valorem value before duty is fixed; the shipment from Vancouver does not. In other words, for using our railroad and our port our citizen is taxed by Australia on the cost of the rail haul, but if he uses Canadian railroad and Canadian port he is not. The form of discrimination affects not only our steamships but also our railroads, for they lose the land haul.

As ex-Senator Chamberlain added:

This is a discrimination that under existing conditions can be made only against the United States.

That is to say, John Bull has already shut us out of his traffic so far as he dares, and his threat to retaliate against us by closing his whole colonial trade is only so much tin thunder.

It was formally announced in the *Liverpool Journal of Commerce* soon after the President sent his message to Congress that—

A deputation representing shipowning interests, and including the president and vice president of the Chamber of Shipping of the United Kingdom, has waited on the board of trade for the purpose of discussing the United States shipping legislation. And it is added, "The interview was for the purpose of exchanging views, etc., so that the board of trade should be put in possession of the opinions of the shipping interest on the matter. There was, therefore, no decisive outcome of the conference."

Probably the real outcome was that the honorable gentleman discovered that they had already in anticipation made so many reprisals against us that there was nothing else that could be done.

However, Sir Owen Phillips, the distinguished head of the Royal Mail Steam Packet Co., which was created in 1841 by a subsidy of \$1,240,000 and has been subsidized ever since, rose up at the annual meeting of his company, as quoted in the *Liverpool Journal of Commerce* of June 2, 1922, and impassively declared—that a fine actor the honorable gentleman would make—that "while British shipping has to fight unaided for its existence"—unaided, mind you—"foreign ships are in many cases supported and assisted in various ways by

their respective governments." Then Sir Owen referred to a mysterious "act of Parliament of 1853, which has been on the statute books for 70 years, giving the British Government at any moment power to take immediate measures to protect her mercantile marine against unfair discrimination." Having made this cryptic remark, the president of the Royal Mail Steam Packet Co. sat down, having vindicated his reputation as an unconscious humorist.

It is noteworthy that the "Thunderer" is leveling its heaviest guns against the presumptuous American shipping bill. In the *London Times* of May 18 Sir Norman Hill, the secretary and counsel of the Liverpool Shipowners' Association, sounds the alarm to his fellow countrymen that the purpose of this measure is "to confer on American ships a monopoly in the world's carrying trade with the United States." This is truly interesting. Our own American impression is that the purpose of this bill is to secure for the American flag our rightful share of from 50 to 60 per cent of the world's carrying trade with the United States, which for 60 years has been chiefly monopolized by foreign shipowners. Presumably Sir Norman Hill had not seen the American shipping bill when he wrote his protest, for the whole proposition contemplates an American overseas shipping fleet of 7,500,000 gross tons, as compared with Great Britain's present 20,000,000 tons.

Sir Norman Hill solemnly proclaims that when the American ships have secured their monopoly "the national ships will become the masters and cease to be the servants of commerce with the country by which the monopoly has been conferred."

Applying Sir Norman's own logic, have British ships, which for years monopolized 98 per cent of the commerce passing between Great Britain and the United States, been all those years the "masters" of that commerce? Why, then, does he object to the proposal of President Harding to secure for our own ships the carrying of 50 per cent of the immigrants into this country and at least 50 per cent of our imports and exports?

Here is another Briton violently whistling to keep his courage up—Sir William Seager, described as the chairman of the Ropner Shipbuilding & Repair Co. (Ltd.), who, at the annual meeting of his concern in Winchester House, Old Broad Street, London, E. C., as admirably quoted by the *Liverpool Journal of Commerce* of October 21, 1921, proclaimed to his stockholders that though "the amount of tonnage built by the Americans was terrific, they could never manage ships to compete with this country. They did not know how to do it, and they could not do it." [Hear, hear.]

This sapient remark recalls the famous dictum of earlier British business men that the Yankees "did not know how to make iron and steel and never would know—their climate would forbid it." This gem of prophecy has outlived many years and is to be commended to the serious attention of Sir W. Seager, M. P., D. L.

Under the graphic heading "American Ship Subsidy Makes J. B. Apoplectic—'Underhand Plot, B'Jove,'" our American newspapers on January 26 last published a dispatch from London in which another eminent British shipbuilder, Sir Edward Mackay Edgar, director of Workman & Clark, in comment on the Washington report of President Harding's plan for the merchant marine, proclaimed that "It is an affront to the heart of England and an indirect, underhand plot against British shipping. President Harding tries to stab Britain—of all countries—in the back!" This because the American Government proposes to take over as its own some of the 98 per cent of commerce between Britain and the United States which British steamship companies long monopolized—this is an effort to "stab Britain in the back." Sir Edward seems to have no hope of help from either "the farmer vote" or "the Democratic Party" in this crisis of Britain's fate.

We come now to a gentleman of even higher station—no less a personage than the British ambassador, Sir Auckland Geddes, who lately departed from our shores for a vacation in England after certain utterances of his on American domestic questions had been brought to the attention of Congress and the country in the other Chamber by the senior Senator from Indiana. The ambassador had been talking about American tariffs and American shipping with a frankness which Senator Watson described as "going entirely outside the bounds of propriety in attempting to dictate the policy of this mightiest of nations in the recorded history of time."

Sir Auckland had gone to Chicago to deliver a speech in which he was quoted as suggesting that "American business use British service, such as insurance and the use of English ships, as a means of solving the problem of diminishing exports." In other words, the smaller our exports shrank, the more we should depend upon English ships for the carrying of them—a somewhat strange philosophy.



Moreover, the British ambassador had gone to Minneapolis to talk about ships on November 4, 1920, in an address to the Civic and Commerce Association—that is, he had gone to a point about as far distant from the ocean as he could possibly reach to discuss maritime problems with his Minneapolis audience. To them he avowed that the statement that the British Government subsidizes British shipping is incorrect and conveys a false impression.

It may seem inconsiderate to Sir Auckland, but it is a hard fact that in discussing this very question of British subsidies the Royal Tariff Commission of his country years ago said: "In effect the Admiralty contracts constitute a rigid system of protection," particularly "to the British engineering and shipbuilding industry." "Engineering and shipbuilding derive other considerable advantages from Government subsidies and Government mail transport and other contracts given to various British shipping lines. During the past 10 years the Government money which has passed into the hands of British steamship companies in respect of these and similar services has amounted to nearly £2,000,000 per annum." Apparently there is some disagreement between the Royal Tariff Commission and the genial British ambassador to the United States which we Americans must perforce leave to these two eminent British authorities for adjustment.

There was another remark on the shipping question which Sir Auckland Geddes delivered at Annapolis. It was to the effect that any statement that "American ships have been placed at a disadvantage with British ships by British Government action" is not true. And he added, "Our policy is based on the principle of 'fair trade and equal opportunity.'"

A few months before Sir Auckland so eloquently described the British policy as one of "fair trade and equal opportunity" an American shipowner sought at the port of Alexandria, Egypt, a part cargo of Egyptian cotton destined for the United States, the property of American cotton mills. This American shipowner was told that the carrying of Egyptian cotton to America was a well-established prerogative of British ships alone, and not a pound of that cotton could be given to an American vessel.

Thereupon the American ship departed without any freight, but her captain reported the circumstances to his employers, who passed it on to the Government in Washington. When the next bids for the transportation of Egyptian cotton were made 40 shillings a ton to America was the demand of the Liverpool liners' conference. But, to the consternation of the British monopolists, American ships bid 25 shillings a ton.

Nevertheless, so close working was the British monopoly of shipowners, merchants, planters, and others at Alexandria that the high British bid was accepted, the lower American bid refused—and Egyptian cotton continued to go to the mills of New England in British ships exclusively.

Then the United States Government, through the Shipping Board, decided that it was time to take a hand. It sent word across the seas that American ships would carry that cotton at 15 shillings a ton if necessary, and that American ships must have a fair share of American-owned cargoes. After some blustering the British line "came down" and the supplies of Egyptian cotton for American mills are now being conveyed one-half in American ships, one-half in British ships, at a rate of 25 shillings a ton to New York and Boston. This episode, that may be repeated at any time in any distant ports of the world where American ships seek freights that British shipowners want, is a good shining example of the "fair trade and equal opportunity" which Sir Auckland Geddes expounded to his Minneapolis audience.

I have been asked the question as to a comparison of present ocean freight rates with those of pre-war periods. I have been furnished by Mr. Love, of the Shipping Board, with a schedule of the rates on flour, grain, and provisions for 1922 as compared with those of 1913, which I desire to present to the membership of the House.

NOVEMBER 24, 1922.

The following ocean freight rates prevailed in the early part of 1913 from New York to London, Liverpool, and Hamburg:

	1913		
	Flour.	Grain.	Provisions.
London.....	22 cents per 100 pounds.	16 cents per 100 pounds.	20 per cent plus 5 per cent—23 cents per 100 pounds.
Liverpool.....	20 cents per 100 pounds.	15 cents per 100 pounds.	Do.
Hamburg.....	27 cents per 100 pounds.	42 pfenning per bushel = 164 cents per 100 pounds.	32 cents per 100 pounds.

Present rates between the same points and on the same commodities in November, 1922, are as follows:

	1922		
	Flour.	Grain.	Provisions.
London.....	17 cents per 100 pounds.	10 cents per 100 pounds.	35 cents per 100 pounds.
Liverpool.....	do.	do.	Do.
Hamburg.....	15 cents per 100 pounds.	do.	20 cents per 100 pounds.

Mr. BANKHEAD. Mr. Chairman, I would like to inquire as to the division of the time.

The CHAIRMAN. The gentleman from Alabama has consumed 8 hours and 47 minutes and the gentleman from Massachusetts 8 hours and 28 minutes, a difference of 19 minutes against the gentleman from Alabama.

Mr. GREENE of Massachusetts. I will yield the gentleman from Ohio [Mr. CHALMERS] 10 minutes.

Mr. CHALMERS. Mr. Chairman, I favor this bill for patriotic reasons, and I also favor the bill for business reasons. I am in favor of saving and building up the American merchant marine. As you gentlemen know, I am particularly interested in water transportation, and I want to say to you that one of the most expert transportation men of this country, Mr. Elisha Lee, of the Pennsylvania Railroad, has said that the freight load of this country practically doubles every 10 years. Mr. Lee says that in 1890 the freight load handled in this country amounted to 79,000,000,000 ton-miles. In 1900 it had increased to 141,000,000,000 ton-miles, and in 1920 it had increased to the enormous sum of 448,000,000,000 ton-miles, practically doubling every 10 years. Then he makes an inference that in 1930 the freight load in this country will be increased to 800,000,000,000 ton-miles. I make the prediction that in 1932 to 1935 the freight load of the United States will have increased to the enormous sum of 1,000,000,000,000 ton-miles.

I want to say to my friend from Kansas [Mr. TINCER] and other Members from the Middle West that if we can at this time save the American merchant marine for future use, and this bill and its provisions extend over a period of years—10, 15, or 20 years—if we can save this remnant for future use and build it up into a well-rounded freight-handling instrument, his section of the country and the granger States of the West will be the principal beneficiaries of the provisions of this bill. It will cut the freight rates of this country billions of dollars a year. Take the enormous freight load which, in 1932 to 1935, will have increased to 1,000,000,000,000 ton-miles. What does Mr. Lee say is the cost of handling freight now on the railroads? Fifteen mills per ton-mile. What is the cost of handling freight by water on the ocean? From 1 mill to 3 mills per ton-mile. What is the cost of handling freight on the Great Lakes, that most efficient freight-handling instrument in the world to-day? One mill per ton-mile.

I stood in the Toledo Harbor last month and saw the Hocking Valley derrick load into one of the lake freighters 4 carloads of coal every 3 minutes, or every 24 hours more than 100,000 tons of coal were transferred from the rails and put into lake freighters. The Great Lakes are the most efficient transportation system in the world to-day.

If you take 2 mills per ton-mile as the average cost of water transportation on the inland rivers, the Great Lakes, and the ocean, what will be the saving over the cost of shipping by rail, assuming that we can carry one-half the freight load by water? Thirteen mills per ton-mile, or a total saving when the Great Lakes-St. Lawrence waterway is completed and the freight load is increased to one trillion ton-miles—the saving will be \$6,500,000,000 per year. Then it is good business judgment to hold this nucleus of ships and build up the American merchant marine into a well-rounded fleet.

Mr. HARDY of Texas. Will the gentleman yield briefly?

Mr. CHALMERS. I will.

Mr. HARDY of Texas. The gentleman speaks of reduced freight rates by this bill. Is there anything in this bill to prevent a combination of our ships with foreign ships or to provide any supervision of the rates charged?

Mr. CHALMERS. The distinguished leader of the minority on this committee can answer his own question better than I can.

Mr. HARDY of Texas. I do not think there is.

Mr. EDMONDS. You might say to the gentleman from Texas that the original shipping bill, of which he was a potent factor in drafting, carried all the protection possible to the shipping interests and to the people interested in everything connected with shipping.



Mr. HARDY of Texas. I want to say that the original bill was without a substantive provision, and this bill has a substantive provision. And there was no—

Mr. EDMONDS. I say at that time it was impossible for us to regulate the rates in the foreign trade and competition, but we put every restriction in the original bill that we could to prevent abuses and hardship to the people.

Mr. HARDY of Texas. Let me ask the gentleman just one question: There is nothing in this bill that gives the Shipping Board or any other public authority the right to reduce rates?

Mr. EDMONDS. Nothing other than we gave in that act, nothing in this bill.

Mr. HARDY of Texas. Then there is nothing in this bill.

Mr. CHALMERS. This is very interesting, but it does not get across the proposition I want to discuss.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Massachusetts. How much time does the gentleman wish?

Mr. CHALMERS. I will take 10 minutes.

Mr. GREENE of Massachusetts. I yield the gentleman 10 minutes.

Mr. CHALMERS. I want to say in good faith I believe this country must be relieved from the high freight rates or we will be bled white and smothered commercially under excessive freight rates. I am in favor of lake and river transportation of freight as well as ocean transportation. I think that history will bear me out in saying that that country is the most successful commercially that makes the ocean its first transportation unit. My opinion is that the rivers of this country, the Mississippi, the Missouri, the Ohio, the Columbia, the Delaware, the Willamette, the Tennessee, and others, should all be developed and improved to carry their portion of this freight load. But I want to put in the RECORD this prophecy—I may not be here at the time and some of you will—but by the years 1932 and 1933 the great St. Lawrence seaway will have been completed.

Mr. Chairman, I am personally against subsidies; I am opposed to all forms of special privilege; but I am not opposed to extending sufficient Government aid to save the American fleet, so that it may in future years serve that great mid-western continent lying between the Allegheny and Rocky Mountains. It is the most productive region of the world, a modern Garden of Eden. When the St. Lawrence River project is completed and the 34 miles of rapids in this river are canalized and a 30-foot channel is opened from the Great Lakes to the Atlantic Ocean, the American merchant marine will help this great continent to take its place as a world leader.

That is why I favor the bill. I favor it because I want to save it for future generations. I want to see the waters of this country developed so that in 1932 one-half of the freight load of the United States, 500,000,000,000 ton-miles, will be handled by the rivers and harbors and inland and coastal waters of the country. If you can save 13 mills per ton-mile on the freight load in 1932, you will save approximately six and one-half billions of dollars annually to the shippers and consumers of this country. [Applause.]

I desire at this time to place in the RECORD some arguments in favor of the construction of the American seaway, or the Great Lakes-St. Lawrence deep waterway.

It has been said that the region of the valley of the Great Lakes is the cream jug and bread basket of the world. I want to say to you that if we are compelled to wait to send that cream and bread by rail and then by ship the cream will turn sour and the bread will get stale before they reach the consumer. It has been said that this seaway will be closed to traffic three months of the year. Well, what of it? If I were a merchant in any Great Lakes port and had a shipment to make on the day the season closed in the fall and it was at the time of the peak load of prosperity, if this seaway were completed I would wait for the spring opening in March and would then ship direct to the foreign port, and would beat any possible shipment by rail to New York City to be transferred there to an ocean liner.

The Undersecretary of State for Sweden informed me last February that during January, 1920, he was requested, while filling a post as consul in Chicago, to arrange for a shipment of several automobiles to Sweden. The credit was arranged, the purchase was made, and the automobiles shipped in January, 1920. They were shipped by rail to New York and from New York to Stockholm by ship. They reached Stockholm after winter had set in, in the late fall of 1920. If these automobiles had been shipped from Detroit or Toledo direct by boat to Stockholm, leaving the last of March, they would have been ready for delivery to customers before the last of April.

The railroads are inadequate to handle 40 per cent of the traffic during normal times and are hopelessly behind. It would take an expenditure of \$1,000,000,000 a year for the next 20 years to eliminate this delinquency and bring the railroads abreast the natural growth of business. Vice President Elisha Lee of the Pennsylvania Railroad says that the demands upon the railroads double every 10 years. You know what that means.

The railroads have not had a building program for the past eight years. There is less railroad mileage now than there was in 1914. What will be the demands in 1930? Relief from that source is hopeless. The very return of the country to normalcy will tend to choke the business life out of the Nation by a lack of proper circulation. We must have relief, and the only relief in sight that we can avail ourselves of is the development of our waterways. That country is most prosperous that makes the sea the first unit of its transportation scheme. Don't blame us for a longing for an ocean port. It has been the desire of men and nations since the dawn of civilization to have an outlet to the sea.

Let me discuss with you frankly some of the benefits to the Middle West of this American seaway. In 1890 our railroad tonnage was 79,000,000,000 ton-miles; in 1900, 141,000,000,000 ton-miles; in 1921, 448,000,000,000 ton-miles; maintained at this rate of gain, in 1930 the total would be 800,000,000,000 ton-miles, and in 1932, when the canal will be opened to the shipping of the world, about 1,000,000,000,000 ton-miles. We are carrying freight now on the Great Lakes for a little less than 1 mill per ton-mile. On the ocean it varies from 1 to 3 mills per ton-mile. The average for the railroads is about 15 mills per ton-mile. Taking the water rate as averaging 2 mills per ton-mile, there is a difference in favor of the water haul of 13 mills per ton-mile. The waterways should be developed to carry one-half of the tonnage of the country. That would show water-carrying capacity of 500,000,000,000 ton-miles, which at 13 mills would show a saving of \$6,500,000,000 per year.

The most extravagant thing this country can do at this time is to neglect its waterways. The successful peoples of the earth have been masters of the deep. During all time the prosperous nations of the world have been those who have made the ocean their first transportation unit. Just now the United States is coming into its own. We have ships to make our merchant marine the greatest and most efficient on the seas. We have ships, the organization, the will, but we have not the business. If we could only clear away the barriers made by the rapids of the St. Lawrence and let those ships into the Great Lakes and the Mississippi Valley territory they would pick up more business than they could handle. The Shipping Board has property valued at three and one-half billions of dollars. Five per cent of this amount would more than pay the American part of the St. Lawrence improvement. The Shipping Board is losing millions every year. Turn the Great Lakes into the Mediterranean Sea and you will change the merchant marine of the United States from a losing proposition into a profitable business. What private business management would hesitate to spend 5 per cent of its investment to turn a fatal loss into a magnificent profit? The time is here, the necessity is crowding us to the wall. The landlocked continent lying between the Rockies and the Alleghenies, the bread basket and cream jug of the world, the land of golden opportunities, rich in raw materials, lumber, coal, minerals, agriculture, and manufacturing products, must find a water highway to the ocean or we must surrender our enviable position as a world leader.

Mr. Lee further says that to handle the traffic of 1930 the railroad expenditures must be appalling; that is, it will be impossible. Every possible avenue of transportation is going to be needed. Therefore the development of water transportation from the center of the continent to the seaboard will be of immense advantage to the railroads.

The next time our country has a real revival of business we shall in all probability be confronted with the most severe congestion of railway traffic and the greatest inadequacy of railway facilities ever experienced in this country. Nothing could more quickly check a wave of prosperity than the inability of our railroad facilities to handle the traffic.

There are some things that must be taken for granted. We will not have time in 30 minutes to prove everything in a world project of the magnitude of the American seaway. You know there are some axioms or self-evident truths that must be taken for granted, even in such an exact science as mathematics. I give you my word that every statement of fact I use to-day has been checked up by Government experts and may be relied upon, even if I do not stop to prove them all.

In a word, let us see what the trouble is. I have seen seven reasons given by the opponents why this seaway is impossible.



## FIRST, CLOSED SEASON.

They say that it will be closed in the winter. The record shows that, on the average over many years, the port of Detroit closes on December 18 and opens March 18, three months. What of it? The other seven or eight or nine months of the year the Detroit River carries more freight in tonnage than any other similar stretch of water in the world, not excluding the port of New York, for 12 months in the year. There is a certain freight load to carry each year. If the waterway can do its work in eight months, let it rest for the three or four winter months.

They talk of icebergs and fog. A report just issued by the New York Institute of American Business on the fallacies of the St. Lawrence waterway scheme says that Montreal is now one of the greatest grain-exporting ports in America. They are right. In 1921 Montreal received 138,453,980 bushels of grain. They handled more grain than all the Atlantic ports combined from Maine to Florida. They handled it with a little, old, antiquated, one-horse shay, man-operated, 14-foot, dilapidated canal, with no lock large enough to take in either a lake or ocean carrier. Give us a modern, up-to-date American seaway with only seven mammoth 860-foot cement locks, 30 feet over the sills, automatic control, with electric power taking the place of man power, and the West will come into its own. Such an unrestricted seaway will accommodate all the lake and 99 per cent of the ocean carriers. The grain and commerce from the Middle West and South and West will pass Buffalo without paying toll, will pass down the middle of the great St. Lawrence, past Montreal and Quebec, without paying tribute, and land their cargoes in Boston, New York, or any other market in the wide world. A statement just issued by the Port Commission of Montreal says that not a vessel nor a pound of cargo was lost by the St. Lawrence route during the year 1921.

They say we will meet exorbitant insurance rates. The lowest insurance rates prevail on those routes most frequented by traffic. That is on the main-traveled course. Wait until we open the American seaway from the loading station of the world to the markets of all nations and we will show you low insurance rates.

They say it runs through foreign territory and that it will injure Boston and New York to the advantage of Montreal and Quebec. Is that the reason why Montreal and Quebec are fighting the project even more successfully than New York and other Atlantic ports? The Quebec members of Parliament, the whole 65 of them, are all against us. One New York Congressman and several New England Members are with us. We have discussed four objections. Now let us take up the last three more in detail.

1. They say it can not be built; it is an engineering impossibility. It is the easiest great engineering project that America has ever been asked to solve. Sometimes I ask myself why the big-visioned men of the past failed to utilize this wonderful natural resource. It means greater prosperity for the country—not for any select section, but for all our people. The completion of this waterway is a program that interests us all. No matter what section of the country we come from we must work together in this one great cause. It is too big and too important a thing to permit sectional rivalries to overshadow our sense of justice and fairness. In the final analysis prosperity can come to America only when all the people are prosperous, and the Great Lakes-St. Lawrence improvement will do much to bring about that desired end. There is no excuse for prejudice and no reason for jealousy.

The International Joint Commission and the American and Canadian engineers have definitely answered the questions of feasibility. How simple are their plans! How easy of construction!

The 182 miles of river from Montreal to Lake Ontario are divided by the commission into five divisions. The first division is from Montreal to Lake St. Louis, 25 miles, 13 miles of canal and 12 miles of river, with an elevation of 45 feet. In the canal section they make use of two locks and a guard lock. The second division is from Lake St. Louis to Lake St. Francis, 16 miles, with an elevation of 83 feet, 13½ miles of canal and 2½ miles of river. In this section they place two locks and one guard lock. The third section is from Lake St. Francis to St. Regis Island, a distance of 28 miles, all open sailing, with a change in elevation of 3 feet. The fourth division is from St. Regis Island to Chimney Point, a distance of 48 miles, 7½ miles of canal and 40½ miles of river. The elevation is 92 feet, and they use three locks in the canal. The fifth section is from Chimney Point to Lake Ontario, with wide river sailing the whole distance of 65 miles, with a change of elevation of only 1 foot. The power works are recommended to be placed in the fourth section, on the international boundary line, and

provide for the development of a million and a half horsepower of hydroelectric current.

2. Even if completed, they say, it will not be used. Why, friends, it is used now, with all its handicaps. The Great Lakes, practically land bound, handle more commerce than any other waters of the world. The south shore of Lake Erie from Toledo to Buffalo, inclusive, handled more tonnage in its harbors in 1918 than both Germany and France did combined in 1914.

3. It will not pay. This objection is answered in the second. If it is used, it will pay. The St. Lawrence Canal will cost \$275,000,000 for a 30-foot channel, with the permanent works built so that it can be later deepened to 35 or 40 feet. These costs were figured between July 1, 1920, and July 1, 1921, when materials and labor were 20 per cent higher than now. The added value to the grain crop will more than equal the entire cost of construction each year after its completion. The price of a commodity is fixed where the surplus of that article comes in competition with similar commodities from other parts of the world. Hence the price of grain is made in Liverpool. Whenever you can cut the cost of sending a bushel of wheat from Kansas to Liverpool or a bushel of corn from Illinois you add that saving to the wealth of the farmers of those States. This does not apply to the surplus only, but the price of the whole crop is fixed by the price of the part of it that is thrown upon the market.

Canada is rebuilding the Welland Canal. It is now about 40 per cent completed. When the Welland Canal is finished and the St. Lawrence is completed, as recommended by the International Joint Commission, the Great Lakes will be turned into a Baltic or Mediterranean Sea. With a 30-foot channel from tidewater to the Great Lakes, Buffalo, Cleveland, Toledo, Detroit, Duluth, Superior, Milwaukee, and Chicago will have the same freight rates from Liverpool and other foreign ports as those in force from the same ports to New York City. Do you business men realize what that would do to business? Do the farmers and manufacturers realize what it would do to them to have the cost of the railroad haul eliminated from Chicago, Milwaukee, Duluth, Detroit, Toledo, Cleveland, and Buffalo to New York City? It costs 22½ cents to ship a bushel of wheat from Chicago to New York by rail. Save it and give it to the farmers. It costs \$40.65 to ship an automobile weighing 3,000 pounds from Toledo or Detroit to New York. Save it and divide it among those who make the automobiles. It affects equally all the territory between the Alleghenies and the Rockies. When this seaway is completed the freight rates will be revised radically downward.

You ask me what proof I can submit to substantiate the above surprising statement? It is 160 miles farther from Liverpool to Cleveland by the St. Lawrence River than it is from Liverpool to New York. It is 275 miles farther to Toledo, 325 miles farther to Detroit, 860 miles farther to Chicago, and 950 miles farther to Superior and Duluth. What difference does even 1,000 miles make on a seaway? All the Atlantic seaports now, although some of them are 1,000 miles apart, have the same Liverpool rate. Let me quote from the report of the International Joint Commission:

"The commission is inclined to agree with the statement that there is a productive interior, ships will proceed as far inland as physically practicable, and that the farther inland they can penetrate the greater will be the resulting economy and the more extensive the area benefited." Notable examples of rivers on which considerable traffic has been developed by ocean-going ships are the Amazon, the Yangtze-kang, the Rhine, the Danube, the Columbia, the Willamette, the Delaware, the lower Mississippi, and the St. Lawrence itself. It appears in evidence that the same rate of freight was paid from New York to Bombay as from New York to Calcutta, although the latter port was 2,000 miles farther and involved 90 miles of a tortuous river channel much more difficult than the St. Lawrence. It may be noted that ocean shipping has to an increasing extent made Montreal its destination, although railroads extend down both banks from Montreal to Quebec.

Two thousand miles farther and a tortuous channel of 90 miles make no difference in the rates. The total restricted channel of our seaway, including both the St. Lawrence and Welland Canal, is only 59 miles. The equal rates from the lake ports are not visionary but are a corollary of the present practice.

Forty-seven per cent of all the tonnage shipped over sea originates in the territory west of Pittsburgh, east of Denver, and north of the Arkansas and Tennessee Rivers. Ninety per cent of all produce shipped abroad is grown in this territory. The value added to the grain of this region each year would more than pay for the cost of this project.

Now, I come to a part of this project that the East is vitally interested in. I refer to the hydroelectric possibilities. The value of the hydroelectric energy derived from the power works will add to the business of Boston more than ten times the possible loss from navigation. You are interested in this



project by the possibilities from its hydroelectric development. The St. Lawrence drains one-fourth of the American Continent north of the Mexican border and in its course falls 224 feet and is capable of delivering more than 5,500,000 continuous horsepower. This is equal to the energy created by the burning of 60,000,000 tons of coal in the most modern steam plant. I call your attention to Professional Paper No. 123, issued recently by the Interior Department, W. S. Murray, chief engineer, recommending a superpower circuit, including Boston, New York, Baltimore, Washington, and adjacent territory.

On the 7th of April last President Harding, Vice President Coolidge, and the entire Cabinet gave the whole session to the discussion of this great project, with Secretary Hoover explaining its advantages.

#### WHAT IS THIS POWER WORTH?

Senator Leonard W. H. Gibbs, chairman of the New York State Commission, opposed to the St. Lawrence Ship Canal, says 5,400,000 potential horsepower of electric energy available on the St. Lawrence at \$25 a horsepower, and you may be sure it will never be sold so low, amounts to an annual income of \$135,000,000.

Massachusetts last year raised 33,000 bushels of wheat. The Department of Agriculture reports that the annual consumption of wheat in Massachusetts is 5 bushels per capita. The Commonwealth's 4,000,000 population multiplied by five equals 20,000,000 bushels of wheat consumed each year by the people of the Bay State. Their wheat fields produced only 33,000 bushels of wheat last year—less than enough to last the people two-thirds of a day. So the wheat they produce is negligible. Ten million hundredweight of flour must be shipped into their State each year to supply the needs of the people. If that flour is shipped by rail from Fargo, N. Dak., it will cost 62 cents per 100, or \$6,200,000. When this deep waterway is built it can be shipped from the wheat fields of the West to Boston for \$4,050,000, or a saving to the bread consumers of \$2,150,000 per year—enough to pay you to buy all the wheat shipped from your port and dump it into the harbor where your forefathers dumped the tea at the Boston Tea Party.

The St. Lawrence waterway will make millions each year from coastwise navigation. It will make tens of millions from its hydroelectric works. It will light homes, stores, streets, factories, and cities. It will do the work, run the street cars and railroads at less than half the cost of to-day. We are just in the morning of the electric day. The greatest progress of science and inventions in this age will be made in the electric field.

I leave that part of the discussion with you. You are fair-minded men. You will readily see that the United States is not as it was 140 years ago, a narrow strip of coast lying between the Alleghany Mountains and the Atlantic Ocean. Beyond those mountains to-day is a vast domain whose people are interested in this seaway. Its success goes much beyond merely passing interest. It means their life or death commercially.

This project is more than a mere business proposition. Its potential possibilities are limitless. It contains romance, comedy, tragedy, life, and death, not only to this generation but to countless generations yet unborn. Let us be pioneers and promoters of this the greatest and most beneficent enterprise of the age.

Over beyond the Berkshire Hills and the Adirondacks, between Buffalo and the Rockies, there are forty-two and one-half millions of people who are being commercially smothered by a lack of transportation facilities. They are gasping for breath under the weight of high freight rates. The grain is rotting in the fields. Their automobiles are reaching the world markets a year out of date. They will be bled white by high freight rates unless relief comes, and the only relief is in the development of the national seaway provided by God at the creation; obstructed by only 34 miles of rapids. Those rapids are watched over and guarded by New York as Leonidas guarded the Pass of Thermopylae. You would imagine by this opposition that if this seaway goes through, grass would grow in Broadway and cows would be herded in Fifth Avenue, and the sheep and the lambs would go unmolested, even in Wall Street.

I am appealing to the Members of this House, where right and justice has always been given first consideration. No; the West will find its way to the sea. The 34 miles shall not stop them, even though guarded by selfishness and avarice and those who would exact a toll as our commerce passes through.

It is right, and, if so, you can not kill it off by fighting it. You will remember that a certain doctor of the law gave the Sadducees some pretty sound advice many years ago in the following words:

"And now I say unto you, refrain from these men and let them alone, for if this counsel or this work be of men it will come to naught; but if it be of God, ye can not overthrow it, lest haply ye be found to fight against God."

They thought they could kill the Great Emancipator by shooting him. They did not kill Lincoln. They killed themselves. They thought they could bury Lincoln and that he would be forgotten.

And so they buried Lincoln! Strange and vain!  
Has any person thought of Lincoln hid  
In any vault 'neath any coffin lid  
In all the years since that wild spring of pain?  
'Tis false, he never in the grave has lain.  
You could not bury Lincoln tho you slid  
Upon his clay the Cheops pyramid  
And heaped it with the Rocky Mountain chain!  
They slew themselves, they but set Lincoln free,  
In all the world his great heart beats as strong—  
Shall beat while pulses throb to chivalry  
And burn with hate of tyranny and wrong.  
Whoever will may find him—anywhere  
Save in the grave—not there, he is not there.

Mr. BANKHEAD. Mr. Chairman, I want to ask the chairman of the committee how much longer it is the intention to run?

Mr. GREENE of Massachusetts. I have two more speakers who want time.

Mr. BANKHEAD. I yield to the gentleman from Texas [Mr. BRIGGS], a member of the committee, 20 minutes.

Mr. GREENE of Massachusetts. I have two men who wish to occupy 10 minutes each.

The CHAIRMAN. The gentleman from Texas is recognized for 20 minutes.

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, I want to discuss this bill dispassionately and in the light of the facts developed at the hearings. I want also to dissipate some of the myths associated with this subsidy legislation, regarding the effect it would have if the bill is passed. There are also some other matters to which I want to devote some attention. One of them is this: The disparagement of the great Government-owned fleet, a fleet of over 12,000,000 dead-weight tons, the newest and best in the world to-day.

The president of the United States Steel Corporation, Mr. James A. Farrell, stated in an address last May that with few exceptions the fleet and vessels in it were as fine as those of any other nation. The president, Mr. H. H. Raymond, and the vice president and general manager, Mr. Winthrop L. Marvin, of the American Steamship Owners' Association, confirm this statement, though these two last gentlemen claim one-half of the tonnage is not suitable for general use.

And yet the people of the United States are constantly led to believe that this great ocean fleet which belongs to them is nothing but a colossal wreck. They are also led to believe that if this subsidy bill should pass it would promptly put upon the high seas all the vessels owned by the United States which are now tied up, a thousand or more; that all the vessels which the Government owns will be promptly disposed of, and disposed of at substantially increased prices.

What are the facts, however, as disclosed at the hearings with respect to these assertions or arguments? The facts are that the chairman of the Shipping Board himself testified that only 5,000,000 tons out of the 10,000,000 could possibly be utilized under the subsidy bill; that the other 5,000,000 tons might be classified as only from fair to useless. And not a member or official of the Shipping Board could tell how much of that 5,000,000 tons is fair and how much useless.

What could be the effect of that upon the buyer? Do you think that any man with that sort of condemnation would pay anything for the vessels, however good they might be? Does any man feel that it would be an inspiration to any man to try to operate them after they have been subjected to such condemnation, except some shrewd buyer who knew their worth and could buy them for little or nothing?

But this was not all. Chairman Lasker testified that he doubted "if under the happiest conditions the American flag will need the 3,000,000 gross tons, or 5,000,000 dead-weight tons, in its entirety." So that even if the subsidy bill should be passed it is not expected that even one-half of the present Government-owned fleet will ever be used.

Chairman Lasker has suggested that it will have to be done away with somehow; part possibly sold for conversion purposes, part disposed of abroad, and probably a large part will be junked.

Therefore, you might as well take from your minds the idea that these 1,000 ships that the Government owns are going to be put back upon the sea even under this subsidy measure, unless, as Mr. Farrell, of the Steel Corporation, says, trade re-



vives. He believes it will do so within the next two years, and predicts that many of the ships which in his own language he says the public believes are obsolete may be found wending their way to the ports of the world with paying cargoes.

When I asked one of the leading advocates of this bill, the vice president and general manager of the Steamship Owners' Association, how many more ships could be sold, in his opinion, after the subsidy bill was passed, if it should pass, than could be sold without it, he could not tell, and he would not venture a guess except to say that possibly within a year they might sell several hundred thousand tons out of the over 10,000,000 tons which the Government owns.

Not only that, but everyone who advocated the passage of this bill before the joint committees of Congress always qualified his remarks as to the success of this subsidy bill, if passed, upon the vital thing that the American people should know, and that is that unless trade revives, and until ocean trade revives, you could not put the ships back upon the high seas. When that condition obtains you will, of course, need no subsidy, as it is admitted by Chairman Lasker that only a slight upturn in trade is needed to wipe out the operating losses which the Government now sustains.

Why, when I asked the president of the American Steamship Owners' Association how many more ships they would operate upon the seas if the subsidy bill passed than are being operated now he made the startling admission and statement that he thought they would have to tie up more vessels—some of those that are now being operated.

Does that sound like bringing to the people of the United States relief from stagnant conditions and putting their ships back upon the seas? Does that sound like justification for imposing upon them from \$500,000,000 to \$1,000,000,000 in 10 years, at the least, and the Lord only knows how much longer if the bill passes and it shall be kept upon the statute books of the Nation?

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. EDMONDS. I just wanted to state to the gentleman that the percentage of tonnage tied up in this country is very much greater than that tied up in other countries.

Mr. BRIGGS. I know that is true, and that a tremendous amount of tonnage is tied up all over the world. I know that witnesses have testified that the decline in the ocean trade has been the greatest the world has ever known. Let me answer the question further. I know that they testified that, the world over, they were losing money. I know that Mr. Lasker testified to that fact before the Committee on Appropriations. It was testified to also by Mr. Love, the vice president and general manager of the Emergency Fleet Corporation.

I know it was testified to by Mr. Marvin, the vice president and general manager of the American Steamship Owners' Association. But, my colleagues, it was further testified to that the reason 75 per cent of the Shipping Board fleet, the United States owned fleet, was tied up was to enable private owners to operate, and that that had resulted in the operation of 75 per cent to-day of the privately owned fleet and only 25 per cent of the Government-owned fleet. The hearings reflect the fact that the Shipping Board, every time a private line wants to become established, has withdrawn the Government line. I am not criticizing that policy. I commend that policy, because I believe in it. I want a great American merchant marine, as I believe every true American does. I believe that the ships ought to be privately owned and privately operated; and as soon as world conditions improve in trade they will be privately owned and they will be taken by private operators if you will withdraw from those who want to acquire these ships at an unconscionable sacrifice the bait of a subsidy amounting to from \$500,000,000 to \$1,000,000,000 a year to pay them for taking over for an insignificant amount the world's greatest and finest fleet, which, however, they will not promise to operate until ocean trade revives.

Mr. J. M. NELSON. Will the gentleman yield?

Mr. BRIGGS. I am sorry, but I have only 20 minutes. In my opinion, you would have had even greater strides toward improvement in the development of the American merchant marine if the subsidy legislation had never been proposed. In my opinion, it has been a demoralizing agency. It does not give even a promise of restoring the American fleet to the ocean.

In this connection perhaps it is just as timely as anywhere else to say that one of the favorite arguments being made here and preached to the American people is in the form of a query: What are you going to do if you do not adopt subsidy?—always assuming that subsidy is going to do what nothing else can do. The whole fallacy lies in the fact that subsidy promises no relief, but involves tremendous harm, not only to American

shipping but to the people of the whole Nation. The experience of the United States in the past as depicted by Spears in his "Story of merchant marine," 1915 edition, page 274, is that in the days of the old Collins Line the subsidy destroyed private initiative upon the Atlantic and took the spirit and initiative of American genius out of American shipping.

Spears says:

In the United States the paying of subsidies to a few lines simply killed private enterprise on the North Atlantic.

The present Shipping Board in the first study (marked "Exhibit A" in the hearings) which it sent to Congress frankly admitted that, with the possible exception of Japan, subsidies have proved a failure in building up the merchant marine of any country. Even in the case of Japan, Chairman Lasker also stated in the hearings that extraneous causes were very potent in the development of the Japanese merchant marine. (P. 222, hearings.)

As disclosed recently by the Department of Commerce, war conditions, not subsidies, were most largely responsible for the rapid increase in the Japanese merchant marine.

The department stated:

Two years of submarine warfare developed Japanese shipbuilding and Japanese shipping at seven fold the rate of its increase in 20 years under a carefully devised bounty project.

In 1918 the Japanese Government terminated its shipbuilding bounties.

It was, moreover, the World War which gave the tremendous impetus to ship construction in the United States and brought forth the great fleet which it now owns.

The past experience of the United States with subsidies and subventions has been far from an encouraging one, and chiefly resulted only in bringing about increased demands for more subsidies instead of building up a merchant marine. The testimony adduced at the hearings fully establish this fact. It shows that such experiments proved so expensive and fruitless in results the payments of subsidy were abandoned and postal subventions, such as have been employed by other nations, were relied upon.

The testimony at the hearings reflected that since the passage of the ocean mail act by Congress in 1891, which is sometimes known as the postal subsidy law, the Government has expended over \$29,000,000, as shown in the following table (p. 182, hearings):

Payments on contracts which continued into the fiscal year ended June 30, 1921 (ocean mail act, 1891).

Fiscal year ending June 30—	American Line, New York to Antwerp, Southampton.	Oceanic Co., San Francisco to Sydney.	New York & Cuba Mail Co., New York to Vera Cruz.	Red D Line to Venezuela, New York to—		Total for the year.
				Puerto Cabello.	Mara-caibo.	
1892.....		\$55,000		\$27,075		\$82,075
1893.....		56,000	\$85,068	81,287		271,310
1894.....	\$188,720	56,000	130,104	79,030		527,330
1895.....	220,258	55,000	130,104	79,030		557,368
1896.....	512,028	56,000	130,104	79,030		850,858
1897.....	757,680	135,000	130,104	81,288		1,177,548
1898.....	580,800	136,000	102,582	63,224		940,539
1899.....	485,674	136,000	87,570	42,962		868,399
1900.....	647,278	136,000	130,104	54,192		1,162,305
1901.....	528,538	133,272	127,602	56,450		1,036,828
1902.....	662,184	283,203	130,104	53,528	\$15,280	1,377,792
1903.....	660,672	283,203	130,104	63,315	39,049	1,402,354
1904.....	660,453	283,203	132,606	66,880	42,445	1,417,961
1905.....	662,688	289,862	130,629	63,315	44,143	1,431,621
1906.....	762,638	249,885	130,884	63,315	45,841	1,481,916
1907.....	661,224	133,272	130,884	63,315	44,143	1,265,515
1908.....	737,016		130,884	58,445	44,143	1,185,149
1909.....	737,536	(1)	130,884	42,993	44,143	1,150,757
1910.....	676,480	(1)	133,401	63,173	39,049	1,114,603
1911.....	646,472	(1)	130,884	63,149	44,143	1,074,945
1912.....	570,672		150,884	63,210	44,451	1,003,161
1913.....	626,650	201,916	124,288	62,972	43,300	1,144,631
1914.....	673,998	201,916	97,566	62,972	34,640	1,069,261
1915.....	714,178	201,916	69,690	65,394	45,032	1,096,010
1916.....	665,952	248,512	74,336	60,550	41,568	1,090,918
1917.....	639,342	279,576	60,158	55,706	34,472	1,069,254
1918.....	509,692	248,512	55,752	60,550	32,906	907,414
1919.....		170,852	72,013	38,752	36,372	317,989
1920.....	198,288	186,384	60,398	53,134	35,724	533,925
1921.....	150,624	170,852	60,298	50,862	36,372	469,008
Total.....	15,597,705	4,397,336	3,189,980	1,813,038	787,218	29,099,627

<sup>1</sup> Discontinued and resumed.

NOTE.—Payments on contracts which had lapsed prior to 1921: The annual payments made under the contracts mentioned in paragraphs 1, 2, and 3 are included in the last column above, marked "Total for the year."

1. From San Francisco to Tahiti by the Oceanic Steamship Co. from 1902 to 1912, the payments aggregating \$421,566 for the whole period.

2. From New York to Habana by the New York & Cuba Mail Steamship Co. from 1903 to 1913, the payments aggregating \$1,423,074 for the whole period.

3. From Boston and Philadelphia to Jamaica by the American Mail Steamship Co. from 1909 to 1914, the payments aggregating \$1,469,841 for the whole period.



In addition to these payments the Government has also paid out over a period of 10 years, from 1912 to 1921, more than \$18,000,000 for carriage of mails in American vessels, based upon a rate authorized by the act of 1872, which allows 80 cents a pound for first-class mail, and 8 cents a pound for mail of other classes, regardless of distance, as against the international postal rate of 35 cents a pound for first-class mail, and 4 cents a pound for mail of other classes.

Under its contract with the Collins Line, the United States Government paid out from 1848 to 1858, in subsidies, \$14,400,000.

The United States Government, as further shown by the hearings, has also extended in recent years additional aid.

The only difference, apparently, between the pending proposal for subsidies and those which were tried out and failed in the past, developing not only waste and extravagance and insufficiency but no fleet, is in the colossal amount of subsidy carried in the pending bill from which the American people could not hope to escape, if the bill is passed, within a period of at least 10 years. The President in his message to Congress, the early part of this week, referred to a period of 25 years, and witnesses, advocating the subsidy at the hearings, indicated its continuance as a permanent policy.

Strength is added to this probability because the pending bill expressly declares that all moneys paid into the merchant marine fund for distribution and subsidies are permanently appropriated.

The bill, moreover, makes no provision whatever for the expiration of the subsidy legislation.

It is true contracts for subsidy are limited to 10-year periods, but new contracts may be made each year as long as there is any money left in the merchant marine fund for the payment of subsidies.

#### PROSPECTS OF RETURN OF SUBSIDY.

Return of subsidy only applies to such years as show excess earnings over 10 per cent net, and not to years in which subsidy is paid, where return is less than 10 per cent net, even though in subsequent years unusually large profits are made. (Pages 427-428, hearings. Testimony of Mr. Beecher.) It was apparent at the hearings that it was not seriously contemplated there would ever be much, if any, subsidy returned.

On question of return of excess earnings over 10 per cent net, Mr. Beecher, counsel for the Shipping Board, testified:

(Pages 422-423, part 7, hearings.)

Mr. BRIGGS. Well, it is intended, under this bill, as I understand at least, that they shall be entitled to earn a 10 per cent net operating income, isn't it?

Mr. BEECHER. That they shall be entitled to earn that?

Mr. BRIGGS. If they can, and the subsidy would apply if they do not. I mean, the subsidy applies whether they do or not, but doesn't allow them to make more than that, because 50 per cent above that sum, until they have refunded what they have gotten back during that period, has to be returned.

Mr. BEECHER. That is right.

Mr. BRIGGS. Based upon that provision in this bill, I am asking you whether an estimate has been made as to what return section 203 would mean to the shipowner in the way of tax exemption.

Mr. BEECHER. No; I hardly see how even a guess could be made at it. Of course, it is entirely dependent upon how much shipping there is engaged in the business, and to assume that any shipowner will, in fact, make 10 per cent this year, next year, or in any given time is an assumption for which, of course, there is no foundation. We only have hopes; that is all.

Mr. BRIGGS. But isn't that the practical foundation of the bill, that it is expected he ought to be able to earn that much as operating income?

Mr. BEECHER. I don't think there is any suggestion of that in the bill.

Mr. BRIGGS. Don't you think the suggestion is very plainly made on page 24, section 703, which says, "Whenever the owner of any vessel or vessels in respect to which he has received compensation under the provisions of this act shall have derived a net operating income from the operations of such a vessel or vessels in excess of 10 per cent per annum in any fiscal year during which he has received compensation hereunder upon his actual investment in such vessel or vessels and facilities employed in connection therewith, 50 per cent of such excess shall be paid to the United States Shipping Board to be placed in the merchant-marine fund, but in no event shall such owner be required to pay to the Shipping Board a greater amount than the total amount of compensation which he has received from the Shipping Board under the provisions of this act for the same period?"

Don't you think that distinctly contemplates he shall have earnings of 10 per cent net?

Mr. BEECHER. I think it is neither the contemplation, the suggestion, promise, or guaranty. It is merely the limitation upon his earnings under the subsidy if he is so fortunate as to make them.

Mr. BRIGGS. You don't think it is at all even contemplated—I don't mean guaranteed—but you don't think it is even in contemplation?

Mr. BEECHER. If you mean that either the Shipping Board or Congress, by this expression, is holding out to shipowners that they expect that they are going to make these sums, I should say emphatically no.

Mr. BRIGGS. How did they happen to use this expression in here at all—this 10 per cent—if it was not in somebody's contemplation that they might, under this measure, if passed and put into operation, earn that much and still be able to give it back? Isn't a whole lot of the very argument in favor of this measure that a good deal of this subsidy is coming back?

Mr. BEECHER. Of course, it is coming back.

Mr. BRIGGS. It doesn't come back until after the 10 per cent is earned.

Mr. BEECHER. It is coming back, after they earn the 10 per cent.

Mr. BRIGGS. Isn't it the theory upon which it is based? Hasn't it been argued very strongly all through the hearings thus far that this money is going to be paid back eventually?

Mr. BEECHER. I didn't hear it suggested—

Mr. BRIGGS. You don't agree with that at all? You don't think they will ever get the subsidy back at all, then?

Mr. BEECHER. They will if the earnings are sufficient.

Mr. BRIGGS. But you haven't any confidence in the earnings being sufficient?

Mr. BEECHER. I am not prepared to make any prediction on the subject.

Even Chairman Lasker stated at the hearings that he did not think that the proposed legislation would give an American merchant marine by the magic wave of a wand. (Page 27):

Mr. LASKER. It will be a good many years before we do not have any stuff left, with most favorable legislation. I want to make it plain here that I do not think the proposed legislation is going to, by the wave of a magic wand, give us a merchant marine.

At the hearings on the urgent deficiency appropriation bill of 1922, Chairman Lasker, on July 27, 1921, stated:

Those boats are laid up for two reasons: First, there is no world trade at all to warrant keeping them in operation, and, second, in building up the American merchant marine we undertook a great many things, and in many cases we took our Government-owned boats off and gave preference to privately owned boats, because our only hope of getting out of this awful mess of Government ownership was to have some company to operate boats, so that when the world conditions were better we could dispose of the boats, but that will take time. (Page 8.)

The steamship owners who testified, and the Shipping Board officials as well, did not seriously contend that, even if the subsidy bill were passed, any more ships could be operated until there was a conspicuous improvement in ocean trade.

(Page 972, part 18, hearings.)

Mr. BRIGGS. But you do not think you could get anything, practically, for the fleet under existing conditions?

Mr. RAYMOND. Not to sell it all out, unless you go to work and give some benefits, some aids, and stop this stagnation.

If the subsidies, of course, were great enough, empty ships could be operated back and forth at an enormous cost to the people, but with benefit to no one. Even the Shipping Board and the steamship owners did not advocate this.

Chairman Lasker testified:

If your question means merely taking into consideration cash outlay for operation, any upturn in the world trade would end the cash loss. \* \* \* If we do not get Government aid and we get an upturn in world trade, so far as cash outgo is concerned, that would be ended, but if we take into consideration the capital value of the ships, it will not. (Page 211, hearings, "Merchant marine bill." Page 951, hearings, "Independent offices appropriation bill, 1923.")

Mr. J. R. Howard, president of the American Farm Bureau, in his testimony stated that he would regard such a policy as unwise.

(Page 1782, hearings.)

Mr. BRIGGS. Well, now, Mr. Howard, of course you appreciate the conditions that obtain to-day in world trade, do you not?

Mr. HOWARD. Certainly.

Mr. BRIGGS. In fact, there has been a tremendous depression obtaining. The Shipping Board, out of the fleet which the Government owns, is only able to operate about 421 vessels, I think, at the outside. The rest are laid up. There is lots of shipping laid up in the world; lots of our fleet, the Shipping Board fleet, is tied up. Of course, when people do not buy the products, exchange products, and you haven't something to carry in the ships, it can not be a profitable operation in which to engage to move these ships back and forth empty?

Mr. HOWARD. There wouldn't be much money in that.

Mr. BRIGGS. No matter how much you might get to carry the lines on. If you carried empty freight trains back and forth across the country and taxed the people rates on that, it would be a serious obligation on the commodities when they did begin to move?

Mr. HOWARD. I wouldn't even ride to town and back in my wagon just for fun.

Mr. CHINDBLOM. We don't have to prove all these self-evident facts, do we?

Mr. BRIGGS. Well, I am just asking some of these things as dealing with existing conditions.

Mr. LAZARO. We do have to prove some of these self-evident things sometimes in order to look after the sale of stuff that belongs to the Government.

Mr. DAVIS. When they are being denied.

Mr. BRIGGS. Of course, you appreciate that if you have a commodity in vast quantity with but very little demand, no demand practically, and you say, "Well, I want you to get rid of this," it means you have to sell at such price as you can get, doesn't it, if you sell it?

Mr. HOWARD. If I recall, the statement which I made states that you have an excess of 20,000,000 tons of ships.

Mr. BRIGGS. You mean world shipping?

Mr. HOWARD. Yes; world shipping, and of course that surplus is going to depress the price and make the market very bad.

Mr. BRIGGS. Well, I say the conditions could not be any worse. I think everybody admits that very freely.

Mr. HOWARD. And there is going to be a continuing surplus for some time to come, evidently.

Mr. BRIGGS. Particularly until there is a trade revival?

Mr. HOWARD. Yes.

Mr. BRIGGS. A revival of trade to call for the utilization of more ships. Isn't that correct?

Mr. HOWARD. Yes.



Mr. Munson in his testimony at the hearings frankly admitted that in order to utilize and keep ships in service you have got to have a trade revival. He testified as follows:

(Page 1173, part 20, hearings.)

Mr. BRIGGS. You have heard of the bids that were advertised here the other day, that they were regarded by the chairman of the Shipping Board as a joke, have you not? Mr. Lasker so characterized them.

Mr. MUNSON. I saw that in the newspapers.

Mr. BRIGGS. There really is—even in spite of the fact of the sales prices of vessels as shown to-day—no market for ships, is there?

Mr. MUNSON. No; there is no market, and without some aid of this kind, Mr. Briggs, we are not going to have a good market for ships.

Mr. BRIGGS. And you have got to have a trade revival, a commercial revival, in order to utilize ships and put ships in the service anyway, have you not?

Mr. MUNSON. That is right.

Mr. BRIGGS. The trade of the world has declined to such an extent that that has been in a very large measure responsible for the tremendous disaster which has overtaken the shipping everywhere, is it not?

Mr. MUNSON. Yes, sir.

MORE SHIPS TO BE TIED UP, NOT OPERATED, EVEN WITH SUBSIDY LEGISLATION.

Likewise Mr. Raymond, president of the American Steamship Owners' Association, testified:

(Page 975, hearings.)

Mr. BRIGGS. Do you think if the Government turns over its fleet at once, as you said, that it would require more vessels to be tied up than are tied up now, or do you think it will mean any advantage in releasing some that are now tied up?

Mr. RAYMOND. I think it probably might mean tying more of them up.

Mr. BRIGGS. More of them being tied up?

Mr. RAYMOND. Yes; although I must say they are operating them with a great deal of experience and judgment. They have taken off, to my own knowledge, many, many ships that were unprofitable, and I think that they have done exceptionally well. I think those losses of \$900,000 were for four hundred and odd ships, were they not?

Mr. BRIGGS. Something over 400 ships.

Mr. RAYMOND. The operating losses there for 400 ships under existing conditions for March is as good as anyone could expect.

Mr. BRIGGS. Are the private operators doing any better than that?

Mr. RAYMOND. I know some of us are not losing that much, because we haven't got the Public Treasury behind us, but we are losing money all right.

Mr. BRIGGS. Practically everybody is losing money in the shipping game right now, are they not?

Mr. RAYMOND. I could not say that. I don't know. I know some are.

So I say subsidy promises nothing. It does not promise to sell another ship, because men who are expected to buy those ships tell you they can not use any more ships than they now have; that even if you pass this bill they have got to wait until trade revives, in order to put the American fleet back upon the seas in full number.

Mr. Lasker testified before the Committee on Appropriations that with a slight upturn in ocean trade he could wipe out the operating losses sustained by the Government; not inclusive of depreciation, or of interest, but wipe out the operating deficit which the Government is paying to-day. All the advocates of subsidy, the ship owners and operators themselves, who appeal for the passage of this bill, tell you that even if the bill is passed they, too, must wait for ocean trade to revive before they can make a success of shipping and put the fleet back upon the sea.

The decline in ocean trade being the cause of the tremendous depression in shipping, and responsible for existing conditions, ocean trade must first be revived before the ships in larger numbers can be operated. The return of ocean trade will restore the fleet to the sea without a subsidy, and why therefore should the American people be taxed from \$500,000,000 to \$1,000,000,000 for a subsidy?

I say it is favorite procedure to ask "What plan have you, if you do not take subsidy?"

In the first place there is nothing in subsidy except an old man of the sea upon the necks of the American people in the form of the taxation which attaches to it; a taxation which has been figured out by one of the witnesses at the hearings to constitute an indirect tax of 10 cents upon every bale of cotton and a quarter of a cent upon every bushel of wheat in the United States.

Well, this question, "What are you going to do?" was asked of a very prominent official of this Government not long ago by the Committee on Appropriations, when the urgent deficiency bill of 1922 was under consideration, and when the subsidy advocates had not come before Congress urging the passage of a bill which they stated was one they had never dreamed of before.

When the chairman of the Shipping Board (for it was Mr. Lasker to whom the question was addressed by the Appropriations Committee) was asked for the plan that he then had to offer, what did he say? This, my colleagues, was his solution, and it is probably the only plan which can now be submitted. He said:

When the world shipping gets buoyant the avarice of men will make them want to increase their fleet and will sell the ships, and that day is sure to come.

They talk about the Democratic side here and others who oppose this bill on the Republican side leaning backward and favoring continued temporary Government operation. Why, the chairman of the Shipping Board himself suggested that as the only remedy, the temporary continued operation of the ships by the Government. He said, further:

"And the Government has got to keep the ships going, and put confidence either in ourselves or some others, to keep them going as efficiently as can be under the circumstances until such time arrives," until shipping gets buoyant again.

All through the hearings, time and again, the prominent exponents and advocates of a subsidy stated that they had to wait until ocean trade revives. Asked when, in their opinion, that would be, most of them said they thought within the next two years, that there had never been such a depression before.

My colleagues, it is urged upon this Congress that this subsidy means only \$30,000,000 a year. Do not deceive yourselves with any such thought as that. Do not think for an instant that that is the limitation of cost. Why, the bill itself appropriates 10 per cent of the customs receipts, and 10 per cent of the estimated returns according to the latest figures would indicate over \$40,000,000 a year. It further puts into the subsidy fund the tonnage taxes doubled under this bill, which are now \$2,000,000, and which are increased to \$4,000,000, making \$44,000,000 in cash subsidies alone. Also provides for swelling the subsidy fund further by paying into it any excess earnings paid by shipowners, if there should ever be any such excess earnings. Provision is also made for doubling subsidies:

STATEMENT OF MR. R. T. MERRILL, DIRECTOR OF BUREAU OF RESEARCH, UNITED STATES SHIPPING BOARD.

(Page 485, hearings.)

Mr. GREENE. We will proceed.

Mr. BLAND. Mr. Merrill, in your estimate of \$32,000,000 direct aid, to which you testified yesterday, have you taken into consideration the double aids allowed by the bill?

Mr. MERRILL. No, sir. That is estimated on the scheduled payments alone.

Mr. BLAND. Have you any estimate showing the amount of increase which would be occasioned by these double aids?

Mr. MERRILL. I could give you the amount of direct aid by schedule that any size, speed, and service will derive; and, of course, assuming the full figure of 100 per cent, it would be twice that, sir.

But this bill does more than that. It permanently appropriates every dollar which gets into that subsidy fund. If you spend only \$30,000,000 one year, the accumulation is to stay in that fund for other years, to be used in the future. It is a growing fund, though out of it may only be spent \$15,000,000 the first year and \$30,000,000 the next year.

But that is not all. Your committee members, or some of them on our side, tried at the hearings to ascertain the value of the so-called indirect aid, how much that would amount to. Only in one respect could we get an estimate, and that estimate was with reference to the 5 per cent tax rebate—that it would amount to from \$8,000,000 to \$10,000,000 a year.

But they testified in that hearing that the indirect aids are more valuable than the direct aids or cash subsidy. If the direct aids under this bill will include between forty and fifty million dollars, the indirect aids must be more than equivalent; so, all told, they will amount to approximately \$100,000,000 a year. Chairman Lasker testified, "Because of the great value it places on the indirect aids, the Shipping Board figured a very modest sum for direct aids."

If anybody reads this bill they will see that it bristles with tax exemptions of various kinds. I notice one of the advocates of the bill talked about the Shipping Board having power to decrease subsidies. I want to say that the subsidies can not be decreased without the consent of the gentlemen who secure that subsidy during the life of the 10-year contract. The subsidy is not going to be decreased by consent, my colleagues. It may be increased, but it will not be decreased.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BANKHEAD. Mr. Chairman, I yield to the gentleman from Texas 10 minutes more.

Mr. BRIGGS. I want to discuss another argument frequently urged in support of this legislation, and that is that it means a reduction in freight rates. Why, on the contrary, it probably will mean an increase in freight rates. There is not a scintilla of regulation of ocean freight rates in this bill. It does put the railroads into the business of operating steamships in the foreign trade; it does, for the first time, perhaps, in the history of this country, allow the railroads to draw a subsidy for oversea operations in foreign trade. Yes; it does that, but it provides no regulation by anyone of the rates which may be charged in that ocean trade.

Mr. BOX. Will the gentleman yield for a brief question?

Mr. BRIGGS. Yes; for a moment.



Mr. BOX. Do I understand that the railroad companies connected with a steamship line will draw a subsidy?

Mr. BRIGGS. Certainly; draw it in the sense that under the bill they are entitled to it if the Shipping Board will award it to them.

Under the provisions of this bill the Shipping Board has unlimited power of determining who shall and who shall not get a subsidy. But under the power given, as specified in the bill, there is nothing upon which a man could rely so as to establish or protect a right to a subsidy in the courts of the land. The opinion of the board absolutely and finally determines who has and who does not have the ability, experience, character, and resources which would be reasonably calculated to carry out the policies of the law.

The President in his message last Tuesday said that, under the law of 1920, the failure to name a fixed interest rate for use of the construction loan fund "leaves the grant of building loans subject to any whim of favoritism." If this criticism can justly be lodged against merely the fixing of an interest rate on a loan, how much more strongly would it apply to the unrestrained power of granting or denying subsidies which is vested in the board by this bill, a power not subject to review in any court, and yet one which can make or destroy not only the steamship operator but ports throughout the United States.

Mr. Merrill, of the Shipping Board, also testified (p. 492, hearings):

Mr. MERRILL. The paper which I prepared yesterday showed, or was intended to show, the need for aid to American ships. It was not intended to claim, and I think does not, that all of those ships would get the full amount of aid. It was conceded that some might get none. How long and to what extent that aid would be needed we can not say. It is obviously needed in much the greater part of the ships to-day; but it might be—and this is the reason I can't give you a direct yes or no answer, much as I would like to, Mr. Briggs—it might be that these indirect aids may in time give enough aid—possibly within one or two years after direct aid—to place the ships on a self-supporting basis.

Mr. BRIGGS. I understand that. I understand there is a possibility that some of the lines—a great many of them, all of them—might succeed without any subsidy at all. I understand that. I do not understand, however, that we are just dealing here in the realm of possibility. I thought the whole thing was presented here on the basis of probabilities; and that is your argument here, that without these cash subsidies and other indirect aids the merchant marine can not live. I thought that was the whole gist of your argument yesterday.

Mr. MERRILL. Yes; largely.

Mr. BRIGGS. Well, that is what I thought. I am not asking for anything but frank statements. Now, if you leave out some of these American operators and give aid to others, the chances are that those who do not get it will not succeed, and those who do will. Is that the argument? Is that correct?

Mr. MERRILL. If the board—

Mr. BRIGGS. Just answer yes or no.

Mr. MERRILL. I can't answer that yes or no. If the board should give aid arbitrarily—refuse to give aid to a company otherwise entitled to it—it would have that effect, possibly.

Mr. BRIGGS. Yes; while the other line would go ahead and succeed?

Mr. MERRILL. Yes, sir.

Mr. SCHLESINGER. Hasn't the Shipping Board to-day got more power to put a company out of business by putting in competition or a fleet of its own boats?

Mr. BRIGGS. I am not saying that the Shipping Board to-day is not given a great deal of power. It is; but I think the witness here on the stand yesterday stated that this bill vests the Shipping Board with very much more power.

Mr. SCHLESINGER. I think it does.

Would it be said that with the great capital which the railroads possess they did not have the resources? Would it be said that the experience in inland transportation that they have acquired would not favor them when they applied for a subsidy? Would it be said that they would not have the ability?

My friends, this bill, in my opinion, means precisely this: It means the drifting of the finest fleet in the world to-day into the hands of a special few, a great syndicate or a group organized to take over that American fleet and be paid \$500,000,000 to \$1,000,000,000 to continue the operation, without any promise of continuance until trade conditions improve. But control of the Government fleet will carry with it the power to increase ocean rates. And does anyone imagine that power will not be utilized? The experience during and for a year and a half after the war closed was an era of fabulously high ocean freight rates, when ships in some instances were practically made to pay for themselves in a single voyage. Rates in some instances advanced over 1,250 per cent over pre-war rates. Of course, the demand for tonnage was almost unprecedented; but the people were made to pay all that the traffic would bear.

And yet without any regulation of ocean freight rates whatever, subsidy advocates would have the public innocently believe that those who acquire control of the Government's fleet will be interested chiefly in reducing ocean rates, and, apparently—from comparisons made with Government aid for highways and other great public works, which are free to all—not

charging anything whatever for carriage of commodities on the high seas. The absurdity of such argument will be apparent to all.

The control by the Government of its great fleet has had at least some restraining influence in fixing of rates, and the instance cited by the gentleman from Pennsylvania [Mr. EDMONDS] of how promptly an advance in ocean rates on coal was checked by the Shipping Board calling into service additional vessels of its own was not only illustrative of the value of an American merchant marine, but especially suggested the thought whether if a private monopoly had then controlled our shipping such reductions would have been made.

The hearings disclosed that ocean freight rates are fixed by agreement between American and foreign lines and are arrived at in so-called conferences.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. BRIGGS. I will.

Mr. HARDY of Texas. Would not the railroad owning a steamship line give that proportion of rates so that no railroad owning a steamship line would ever earn over 10 per cent?

Mr. BRIGGS. That may be. The railroads now are given favored legislation so they may make certain net earnings. The limit under the transportation act purports to be 6 per cent. There is no limit, however, fixed in this bill. No limit fixed at even 10 per cent; but if more than 10 per cent is earned in any one year, one-half of the overplus in such year must be returned in restoration of the subsidy paid during that year. Otherwise the railroads or other steamship organizations may earn all they can, whether 50 or 100 per cent, and after deduction of the subsidy for such year the rest would go into the coffers of the company, for which they would make no accounting whatever.

This bill is certainly not a beneficent measure for the American people. I say it is fraught with the greatest danger to the American people and imposes great tax burdens upon them.

It has not been shown that this subsidy legislation will restore America's idle tonnage to the seas nor enable the Government to sell its fleet at even present world market prices and retire from shipping operations.

You will still have to depend on a revival of foreign trade. I am sustained in that by the chairman of the Shipping Board himself when he appeared before the Committee on Appropriations in 1921 and never breathed a word of subsidy. He said we would have to wait until shipping gets buoyant and the avarice of men will make them want these ships and restore them to the seas; that such time is sure to come; and until that time the Government necessarily must continue the operation of the fleet.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. McDUFFIE. I have listened with great interest to what the gentleman is saying, and I want to ask him to discuss what effect the bill will have upon the smaller ports.

Mr. BRIGGS. It will result, in my opinion, in the acquisition of this great Government-owned fleet by a great subsidized syndicate, a steamship combination, which the president of the American Steamship Owners' Association testified can be organized to take it over, or its acquisition by the railroads, or perhaps by both, and it will result in confining the operations of that fleet to a few selected ports of the United States of greatest influence, while lines of American steamers which other ports seek to establish will not have strength or resources sufficient to compete with such combination of capital and probably be denied the subsidy given the stronger organization. The result would be the smaller American lines would languish and die, and the effect upon the less-favored ports would be disastrous. You will find testimony in the hearings that such would be the result.

Section 5 of the Jones Act is amended by this bill. It is amended chiefly by taking out of it the provision inserted there by Congress that this fleet should not be practically given away; that it is too valuable an asset; that it should be advertised for sale and that competitive bids should be invited; but that it should be sold as soon as possible to private owners. It was provided that the Government should not stand in the attitude of a person who was forced to sell; that it should not go under the hammer at whatever price it might bring and be sacrificed for a song. Everybody who testified at the hearings, those who advocated the passage of this bill and those who were against it, unanimously stated, as did the officials of the Shipping Board, that you could scarcely give away a ship to-day; that you could not sell the fleet. Yet at the hearings everybody who favored the bill wanted the ships sold as soon as possible, after having admitted that nobody wanted to buy them; also advocating, in the same breath, the removal of the restrictions against absolutely sacrificing



the ships that exist now in the shipping law, and urging that they should be sold at all hazards and, I assume, to any buyer who would pay anything at all for them.

Mr. Lasker testified that Mr. Teagle, the president of the Standard Oil Co., said that he would not pay \$40 apiece—not \$40 a ton—for Government tankers, for that he had all that he needed now; and one of the gentlemen representing the tanker service at the hearings, introduced as speaking for them all, said that if they could buy them cheap enough they might tie them up for awhile in the hope of being able to use them a little later.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BANKHEAD. Mr. Chairman, I yield to the gentleman from Texas five minutes more.

Mr. BRIGGS. Mr. Chairman, Mr. Lasker himself offered a solution for the present situation, and it was the only solution that anyone offered at the hearings except to press down for the passage of the subsidy bill. His solution was that the ships be retained until shipping becomes buoyant, and that that time is sure to come. It is estimated by those best able to know, men like Mr. Munson and Mr. Marvin and Mr. Raymond, that this would occur in two years to a substantial degree, and Mr. Lasker testified that it would require only a slight upturn in rates to eliminate the losses which are being sustained.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. I have only five minutes, and I am sorry I can not yield.

Substantially the same view is expressed by Mr. Farrell, the gentleman selected for chairman of the Shipping Board by the President before Mr. Lasker was tendered and accepted the appointment. Mr. Farrell, it should be borne in mind, has not been advocating these subsidies, although the ships of his corporation would enjoy the benefit of the subsidy. There are 38 ships of over 200,000 tons of that corporation which it was admitted by Chairman Lasker are included in the subsidies under this bill; also that 182 ships of the Standard Oil fleet, representing a tonnage of 1,200,000 tons, would receive subsidies. One hundred thousand tons of the Fruit Trust fleet, would also obtain subsidies under this bill; all of these great fleets being now more than self-sustaining, if the reported accumulation of surplus and issuance of huge stock and cash dividends are to be credited.

The condition of shipping on the seas is a problem that confronts not only the United States but the other nations of the world to-day. Until ocean trade revives, you can not operate ships profitably.

We hear much talk about delivery wagons. One of the witnesses testified that he would not drive his wagons from his farm to town just for fun. If you pay large enough subsidies under the bill you may operate empty ships, if you want to, as France was accustomed once to do under her subsidy laws. Who would ever find justification, however, for any such action as that? Who would find support from the American people for running empty freight trains over this continent, which could be done, if you subsidized the railroads heavily enough, simply to see the trains run by?

The American people to-day are feeling the pressure of the transportation act. They are feeling the pressure of the tremendously high railroad rates, but even those are assumed to be limited to a 6 per cent return upon the money invested, as recognized by the Interstate Commerce Commission upon a valuation fixed by that body. This bill, however, fixes a minimum, not a maximum, of 10 per cent upon the whole investment. It allows owners to make that much money and then one-half of the surplus over and above that after paying back one year's subsidy, which they may earn during that year.

Under this legislation a depreciation allowance will be made to fleets like the Standard Oil, the United States Steel, and the United Fruit Company fleets, as well as to all other privately owned fleets, and it will enable them to write down the war costs of their fleets without regard to profits they have made during such period—profits the greatest in the history of the world, when the dividends declared were enormous, as shown in the minority report on this bill. The Standard Oil has lately declared stock dividends as high as 400 per cent and its subsidiary companies similar dividends of 200 and 300 per cent. Such vast profits enable them to write down depreciation. It enables them to bring the ships down to the present market value; and the testimony reflected that if custom had been followed and the revenue law had permitted, accepted practice would have been for them to have completely written off the capital cost of the ships by reason of the huge profits they had made through operation of them.

It must therefore be apparent to all who study this question that the proposed subsidy legislation constitutes no remedy at

all for relief from existing conditions in the American merchant marine to-day; that it does not give any promise of restoring to the seas the American ships which are now laid up; that it does not give any assurance of selling the Government fleet at any better price than can now be obtained; it does not relieve the Government of any losses, but proposes to exchange the probability of elimination of all operating deficit within the next two years for a committal of the Government to the payment of huge subsidies aggregating, over a period of 10 years, \$750,000,000 to \$1,000,000,000; but the subsidy program does not end in 10 years, for, under the bill, it will continue after that time until it should be repealed—if ever that could be effected over the opposition of those who are the direct recipients of its bounty.

It is contemplated that the Shipping Board will continue to operate for a period of from three to five years, anyway, and will also continue as a bureau, with a large administrative staff of employees with resultant expense during the life of the legislation.

The probabilities are that, under the bill, immense shipping monopolies will be created and be the real beneficiaries of its lavish gifts.

If it should be passed, it will involve far more danger and harm to American commerce and the American people than it will good, and it will constitute a tax burden of the greatest magnitude.

I repeat that it is not subsidies which are needed but revival in ocean trade and increase in foreign commerce to put our idle ships back upon the seas.

Subsidies, whether granted to great shipping combinations or railway mergers, will avail nothing unless and until trade revives. And when trade revives, the operating deficits which are now being sustained will be wiped out, and subsidies would constitute only extra and unnecessary burdens upon the American people.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BRIGGS. I want to refer to and present some of the testimony developed at the hearings which bears upon various phases and supplies much illuminating information regarding the pending legislation.

#### THE GOVERNMENT FLEET AND WHAT IT HAS MEANT.

In referring to the accomplishment of the United States in building the great fleet within such a remarkably short space of time Chairman Lasker asks:

How did we accomplish this miracle of production? (Washington Post, June 6, 1922.)

He also stated:

#### HIGH TIDE OF OPERATION.

At the height of its operations, October, 1920, the Shipping Board had 1,317 steel ships plying between our shores and those of foreign markets. With the decline which has come in world trade we are now (May 15) operating 447 steel ships, of a total of 3,675,614 dead-weight tons, and have 983 steel ships, of a total of 6,478,316 tons, tied up.

Immediately after the close of the war, had we not possessed the Government fleet, there is no doubt that freights would have soared even higher than they did; and to-day, were America's Government-owned tonnage withdrawn from the seas, our traders would pay increased tolls to foreign owners. So we must remember that while the operation of the fleet is costing us millions, it is saving us millions in freights and insuring us continuous relations with our customers.

But I aver that under the Harding administration the Shipping Board's operation has become comparable to the best operations of privately owned ships. (Washington Post, June 7, 1922.)

Chairman Lasker also testified (p. 9, hearings):

When the World War was over there was a great scramble on the part of all the maritime nations to use their own tonnage for their own peace-time needs. Had America not possessed the tonnage she built during the war, in the two years of prosperity that followed the war we would have lost largely of markets that were ours, much as their need would have been for our wares, because there would not have been tonnage available to carry our goods. Those who needed them would have sent us their ships to the extent that they needed goods, but even then many would not have had enough ships to carry that which they alone needed, and others would not have furnished us their surplus ships for our trade aggrandizement at their own expense.

The vast sums we saved to ourselves in freights alone, which through faulty governmental bookkeeping was converted to construction charges, would have shown during that period that handsome freight returns inured to the Public Treasury. Private operation at that time would have been impossible; there had been but little overseas carriage under the American flag by private owners before the war, and private capital therefore would not have been available at the war's conclusion quickly enough to operate successfully the Government-owned ships, even had the Government sold those ships at fair prices to private owners. So that in order that the war-built fleet might immediately come into America's peace-time needs the Government was forced into operation, an operation that from that time to this, through the lack of private facilities, has been the greatest insurance we have to our future overseas prosperity, which involves our entire national prosperity.

## FOREIGN TRADE CARRIED IN AMERICAN VESSELS.

Chairman Lasker testified at the hearings that—

For the year 1921 America carried under her own flag 51 per cent of her total foreign trade. (Page 8, hearings.)

Mr. Merrill, Director of the Shipping Board Bureau of Research, testified:

Measured in quantity, we are at present carrying the major part of our foreign commerce in American ships, but this figure is attained only by including our huge traffic in mineral oil, most of which moves

in American tank ships, and our Great Lakes traffic. Eliminating these movements, the United States is carrying only about 36 per cent of its foreign commerce in American bottoms. Since tank steamers can not be used to carry any other cargo, it follows that in order to protect our trade in all commodities except bulk oil we ought to have a merchant marine sufficient to carry at least 50 per cent of our dry cargo as well as 50 per cent or more of our tanker shipments.

Export statistics compiled by the United States Shipping Board, showing the extent of the movement of the commerce of the United States in American bottoms, is herewith given (page 1747, part 27, hearings):

Water-borne foreign commerce of the United States, 1921, by customs districts.  
[In cargo tons of 2,240 pounds.]

	Imports.					Exports.					Total commerce.				
	American.		Foreign.		Total.	American.		Foreign.		Total.	American.		Foreign.		Total.
	Tons.	Per cent.	Tons.	Per cent.		Tons.	Per cent.	Tons.	Per cent.		Tons.	Per cent.	Tons.	Per cent.	
<b>All cargoes:</b>															
North Atlantic district.....	10,713,017	62	6,559,607	38	17,272,624	7,117,262	32	14,912,272	68	22,029,534	17,830,279	45	21,471,879	55	39,302,158
South Atlantic district.....	612,922	74	216,954	26	829,876	608,414	43	795,611	57	1,405,025	1,221,335	55	1,013,565	45	2,234,901
Gulf district.....	8,469,845	83	1,758,831	17	10,228,676	4,125,278	32	8,745,368	68	12,870,646	12,595,123	55	10,504,199	45	23,099,322
Pacific district.....	686,044	49	702,084	51	1,388,128	1,989,756	44	2,549,116	56	4,529,872	2,666,809	45	3,251,200	55	5,918,000
Great Lakes district.....	2,916,094	87	420,823	13	3,336,917	4,697,610	62	2,905,810	38	7,604,420	7,613,704	70	3,327,633	30	10,941,337
Total, excluding Great Lakes.....	20,481,828	69	9,237,476	31	29,719,304	13,831,710	34	27,003,367	66	40,835,077	34,313,538	49	30,240,843	51	70,554,381
<b>Total.....</b>	<b>23,397,922</b>	<b>71</b>	<b>9,658,299</b>	<b>29</b>	<b>33,056,221</b>	<b>18,529,320</b>	<b>38</b>	<b>29,910,177</b>	<b>62</b>	<b>48,439,497</b>	<b>41,927,242</b>	<b>51</b>	<b>39,568,476</b>	<b>49</b>	<b>81,495,718</b>
<b>Excluding tanker cargoes:</b>															
North Atlantic district.....	3,837,027	42	5,322,435	58	9,159,462	6,464,072	31	14,195,461	69	20,659,533	10,301,099	35	19,517,896	65	29,818,995
South Atlantic district.....	201,273	58	146,750	42	348,023	565,622	43	740,513	57	1,306,135	768,895	46	887,263	54	1,654,153
Gulf district.....	848,964	49	873,146	51	1,722,110	3,031,118	33	6,175,922	67	9,207,040	3,880,082	35	7,049,068	65	10,929,159
Pacific district.....	495,801	44	632,155	56	1,128,956	1,373,174	37	2,309,531	63	3,682,705	1,894,975	29	2,941,083	61	4,811,661
Great Lakes district.....	2,916,094	87	420,823	13	3,336,917	4,697,610	62	2,905,810	38	7,604,420	7,613,704	70	3,327,633	30	10,941,337
Total, excluding Great Lakes.....	5,384,065	44	6,974,486	56	12,358,551	11,133,985	33	23,421,427	67	34,855,413	16,818,051	36	30,395,913	64	47,213,934
<b>Total.....</b>	<b>8,300,159</b>	<b>53</b>	<b>7,395,309</b>	<b>47</b>	<b>15,695,468</b>	<b>16,131,596</b>	<b>38</b>	<b>25,284,229</b>	<b>62</b>	<b>42,415,825</b>	<b>24,431,755</b>	<b>42</b>	<b>33,679,538</b>	<b>58</b>	<b>58,111,293</b>
<b>Tanker cargoes:</b>															
North Atlantic district.....	6,875,990	85	1,237,172	15	8,113,162	653,190	48	716,811	52	1,370,001	7,529,189	80	1,953,983	20	9,483,183
South Atlantic district.....	411,649	85	70,204	15	481,853	42,792	43	56,098	57	98,890	454,441	78	126,302	22	580,743
Gulf district.....	7,620,881	90	885,685	10	8,506,566	1,094,160	30	2,569,445	70	3,663,606	8,715,041	72	3,455,131	28	12,170,732
Pacific district.....	189,243	73	69,929	27	259,172	607,582	72	239,585	28	847,167	796,825	72	309,514	28	1,106,339
Great Lakes district.....	.....	.....	.....	.....	.....	.....	.....	44,008	100	44,008	.....	.....	44,008	100	44,008
Total, excluding Great Lakes.....	15,097,763	87	2,262,990	13	17,360,753	2,397,724	40	3,581,940	60	5,979,664	17,495,487	75	5,844,930	25	23,340,417
<b>Total.....</b>	<b>15,097,763</b>	<b>87</b>	<b>2,262,990</b>	<b>13</b>	<b>17,360,753</b>	<b>2,397,724</b>	<b>40</b>	<b>3,625,948</b>	<b>60</b>	<b>6,023,672</b>	<b>17,495,487</b>	<b>75</b>	<b>5,888,938</b>	<b>25</b>	<b>23,384,425</b>

(Page 1748, part 27, hearings.)  
Cotton exports from Gulf ports.  
[In tons of 2,240 pounds.]

## RECAPITULATION.

Port.	Total tons.	Shipping Board.		Foreign.		Private American.	
		Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
<b>October, 1921:</b>							
Mobile.....	16,600	9,651	.....	6,949	.....	.....	.....
New Orleans.....	125,049	17,174	.....	107,875	.....	.....	.....
Galveston.....	320,543	70,905	.....	249,638	.....	.....	.....
Houston.....	56,490	27,787	.....	28,703	.....	.....	.....
<b>Total.....</b>	<b>518,682</b>	<b>125,517</b>	<b>24.18</b>	<b>393,165</b>	<b>75.82</b>	.....	.....
<b>November, 1921:</b>							
Mobile.....	6,912	6,912	.....	.....	.....	.....	.....
New Orleans.....	92,353	29,159	.....	63,194	.....	.....	.....
Galveston.....	290,134	74,699	.....	215,435	.....	.....	.....
Houston.....	54,487	30,262	.....	24,225	.....	.....	.....
<b>Total.....</b>	<b>443,886</b>	<b>141,032</b>	<b>31.79</b>	<b>302,854</b>	<b>68.21</b>	.....	.....
<b>December, 1921:</b>							
Mobile.....	4,479	4,083	.....	396	.....	.....	.....
New Orleans.....	123,256	33,125	.....	90,131	.....	.....	.....
Galveston.....	201,490	51,525	.....	149,965	.....	.....	.....
Houston.....	29,571	11,326	.....	18,245	.....	.....	.....
<b>Total.....</b>	<b>358,796</b>	<b>100,059</b>	<b>27.89</b>	<b>258,737</b>	<b>72.11</b>	.....	.....
<b>January, 1922:</b>							
Mobile.....	5,171	3,647	.....	1,524	.....	.....	.....
New Orleans.....	90,531	29,508	.....	61,023	.....	.....	.....
Galveston.....	174,756	66,742	.....	108,014	.....	.....	.....
Houston.....	34,462	17,262	.....	17,200	.....	.....	.....
<b>Total.....</b>	<b>304,920</b>	<b>117,159</b>	<b>38.42</b>	<b>187,761</b>	<b>61.58</b>	<b>6,225</b>	<b>2.04</b>
<b>February, 1922:</b>							
Mobile.....	14,481	10,425	.....	4,056	.....	.....	.....
New Orleans.....	70,632	28,536	.....	42,096	.....	.....	.....
Galveston.....	131,542	63,440	.....	68,102	.....	.....	.....
Houston.....	17,694	17,694	.....	.....	.....	.....	.....
<b>Total.....</b>	<b>234,349</b>	<b>120,095</b>	<b>51.24</b>	<b>114,254</b>	<b>48.76</b>	<b>10,506</b>	<b>4.48</b>

Cotton exports from Gulf ports—Continued.  
[In tons of 2,240 pounds.]  
RECAPITULATION—continued.

Port.	Total tons.	Shipping Board.		Foreign.		Private American.	
		Tons.	Per cent.	Tons.	Per cent.	Tons.	Per cent.
<b>March, 1922:</b>							
Mobile.....	14,572	14,272	.....	300	.....	.....	.....
New Orleans.....	95,057	21,502	.....	73,555	.....	.....	.....
Galveston.....	156,528	82,656	.....	73,872	.....	.....	.....
Houston.....	29,286	22,277	.....	7,009	.....	.....	.....
<b>Total.....</b>	<b>295,453</b>	<b>140,707</b>	<b>47.62</b>	<b>154,746</b>	<b>52.37</b>	.....	.....

The variance between these statistics and those supplied by the Bureau of Foreign and Domestic Commerce (pp. 1031 and 1041, hearings) is apparently due to the fact that the latter are based upon values and the former upon tonnage.

This is indicated by the testimony of Mr. Marvin, page 1022, hearings.

## VOYAGE AND OTHER OPERATING LOSSES AND IMPROVEMENTS.

In January last Mr. Lasker also testified before the Appropriations Committee as follows:

The prepared statement I submitted yesterday showed that we are now losing about \$4,000,000 per month. We feel that we have gotten that loss down to about the minimum to maintain the trade routes necessary, to pay the expenses of tie-ups which have to be paid if the ships are not running, to pay the expenses of the necessary repairs which must be made on the ships, and to pay the administrative expenses necessary to liquidating the properties of the corporation and the expenses of litigation. You will notice that of the \$4,000,000 we are losing per month less than \$1,000,000 is on account of voyage loss. The rest of it is made up of the expenses that I have just enumerated, and that loss would remain whether we were operating the ships or not. If we could get the claims out of the way we might bring our overhead expense down; I do not know how much, but by possibly one-half. (Page 909, hearings "Independent offices appropriation bill, 1923.")

The following record of operating expenses, chiefly furnished by the Shipping Board at the hearings, shows that while the



number of ships operated was substantially reduced—in fact, about one-half within a period of 12 months—yet the voyage losses with reference to the present reduced number which have been operated for several months show a gratifying improvement. Mr. Lasker testified:

We only completed 155 voyages in February and we completed 108 voyages in January, although we had approximately the same number of ships out, and you only enter up in shipping your figures as the voyages are completed. (Hearings, p. 50.)

This same witness gave a very full statement of the operating losses, which testimony is as follows:

(Hearings, page 228.)

Mr. LASKER. I will cover some ground covered yesterday. The actual excess of expenses of voyages, just on the ships, and for managing agents, over income was in July \$1,896,644.10.

In August—I am taking our fiscal year; the board's fiscal year—\$1,853,297.80; September, \$1,238,102.53; October, \$765,323.43; November, \$654,555.31; December, \$1,249,081.61; January, \$934,937.42; February, \$527,879.30.

Mr. DAVIS. That is what I was referring to. You call that the voyage loss?

Mr. LASKER. I call that the voyage loss, yes, sir; not the operating. Now, that voyage loss will now be—in February we came to the low peak; then it goes up, because we haven't the cargo until fall, when the grain and the crops start moving.

Now, then, we have our repairs, which are constant, so long as we operate. In July the repairs were \$1,467,376.82; August, \$1,776,439.82; September, \$1,114,621.02; October, \$779,644.03; November, \$1,306,321.93; December, \$734,907.57; January, \$950,000; February, \$1,050,000.

Insurance expenses, which is constant, as constant as the voyage expense—understand, as long as you have voyages you will have voyage repairs; as long as you have voyages you will have insurance.

The insurance expense for July was \$578,994.82; August, \$604,191.30; September, \$546,668.70; October, \$688,244.51; November, \$617,754.63; December, \$641,998.65; January, \$416,359.04; February, \$320,355.53.

Expenses during lay-off. That expense, of course, would increase if we did not operate and did not sell, but as long as we only operate but this amount of ships we will have this.

The lay-off expense for July was \$898,563.62; August, \$877,621.71; September, \$617,794.63; October, \$685,690.81; November, \$505,081.62; December, \$605,532.09; January, \$466,170.83; February, \$413,076.60.

All of those expenses remain whether we liquidate the past or not as long as we operate up to this point. Those expenses are the actual expenses in connection with the tie-up and the physical operation of the fleet. Insurance and repairs are physical operation as much as the payment of the seamen who constitute the crews.

We then come to the next and last item and the only item that would be affected by the liquidation of the past—of the war—and that is the item of administrative expense.

Mr. DAVIS. That is what I was inquiring about.

Mr. LASKER. Sir?

Mr. DAVIS. That is what I was inquiring about.

Mr. LASKER. Yes; now we come to the item you were inquiring about, as to how far it would affect the general expenses.

Mr. HARDY. What did you say was the item affected by the sale of the ships, the operation?

Mr. LASKER. I didn't say "affected by the sale of the ships." I said "affected by the operation of the ships."

Mr. HARDY. I started to put down "The only item affected by the sale."

Mr. LASKER. These were the only items that would be affected if the ships were tied up. Let me put it positively—that is negatively. Those are the only items affected by operation. As long as we operate those items would be constant—that is, they would fluctuate according to business—according to how business was—but we would have to make provision for them.

Now we come to the only item that is affected by the liquidation of the past; but only in this are the items in connection with the liquidation of disputes and operation. I did not yesterday give you our overhead expense in connection with material sales and ship sales and the Shipping Board itself, because that properly we did not put into our operating administrative expense; so when you take the figures I am going to give you you can not deduct those of ship sales, for instance, from material sales. It would not affect that overhead, because we keep it in another account. In this account we keep only ships' operations and some claims. Many of the claims are in the construction department and would not be affected here, because nothing of construction overhead is in here; so very little of this administrative expense would be affected. You see, we have already taken the administrative expense, broken it down and separated it, and this is what remains.

Net operating "loss for the month of January of \$3,445,449.14" (p. 50, hearings).

In July the administrative expenses were \$1,182,423.56.

As I only came into office in June, that is the administrative expense that we inherited from the prior board.

In August the administrative expenses were \$1,270,349.18; September, \$1,159,008.38; October, \$999,066.51; November, \$999,629.07; December, \$906,315.39; January, \$677,981.85; February, \$778,147.98.

These are the figures that constitute the \$50,000,000. As long as we keep operating, these figures would be largely the same, less the loss that would be saved from sailing routes that would be operated by others. We wouldn't have the repairs on those ships any more, we wouldn't have the insurance, but the administrative expenses would be largely the same.

Mr. DAVIS. What was the total cost in February?

Mr. LASKER. The cost in February, I am proud to state—if you will permit another boast; you know, it is about the only dividend we get—to call attention to the very good work we are doing, the cost was \$3,089,459.41.

However, I would say that you should not think later we are getting incompetent when the loss goes up in April, May, and June. It has to go up, because we can not get the cargoes. This is the low point.

#### Operating expenses, including losses for March, 1922.

Total operating losses..... \$3,704,155

#### Including—

Voyage loss.....	913,720
Repairs.....	1,313,298
Insurance.....	391,565
Expenses during lay-up (of vessels).....	381,088
Administrative expenses.....	687,581

Voyage losses in March exceeded those in February, which amounted to \$527,000, but the expenses during lay-up of ships were less, and the administrative expenses for March were \$90,000 less than for February. (Hearings, testimony of Mr. Lissner, pp. 983 to 985.)

The New York Tribune of June 23, 1922, publishes a statement of the net loss the Shipping Board incurred in operation of the 400 vessels in service:

April.	
Net operating loss.....	\$2,977,246.72
Net voyage loss.....	\$967,751.61
Total number of voyages.....	185

May.	
Net operating loss.....	\$2,660,486.81
Net voyage loss.....	\$376,445.84
Total number of voyages.....	205

This improvement is due partly to the increase in passenger revenues, which for the month of May showed an excess of income over outlay (excluding overhead, repairs, and insurance) of \$217,369.13. This is one improvement of \$152,515.83 over the preceding month.

Excess of income over outlay for tanker voyages in May was \$267,545.41, or an improvement of \$124,813.14 over the preceding month.

[From the New York Journal of Commerce, July 24, 1922, p. 20.]

This paper reports that for the first time—evidently referring to the period since the new Shipping Board was appointed, and not with reference to the period immediately subsequent to the armistice, when enormous net profits were made by the Shipping Board and even greater ones by American private owners—the Shipping Board shows that during the month of June, 1922, there was an excess from voyage operations of \$204,531.75, as against a deficit for the month of May, 1922, of \$376,445.84.

The Shipping Board, however, sustained a loss on operations during June, 1922, of \$2,660,486; that is, the expense of operation exceeded receipts by the sum named.

Lay-up expenses amounted to.....	\$365,572.61
Insurance premiums.....	418,875.40
Salaries and wages.....	471,396.80
General expenses.....	282,523.51
Repairs.....	1,461,016.71

This item of repairs, however, includes, apparently, repairs upon vessels laid up, which were put into commission to meet the demand for tonnage for transportation of coal. The repairs on such vessels amounted to approximately \$500,000.

#### IMPORTANCE OF VOLUME OF TRAFFIC.

Mr. LASKER. We hoped to get the contract for the Army transport, which should give a great volume of business, and its volume that our ships need as much as anything else to bring down these costs. Personally, I think the greatest difference between ourselves and Great Britain is volume. (Page 59, Hearings.)

#### MERCHANT MARINE OF ALL COUNTRIES NOW LOSE MONEY.

Chairman Lasker also testified before the Appropriations Committee last January as follows:

(Page 865, hearings, "Independent offices appropriation bill, 1923.")

Mr. WOOD. There is another thing that is striking. You are operating now at a loss. You have reduced it from some \$6,000,000 a month down to \$4,000,000 a month.

Mr. LASKER. Yes, sir.

Mr. WOOD. In a word, what is causing a loss now of \$4,000,000 a month to the Shipping Board in its operating end?

Mr. LASKER. First, let us take the last two months, October and November; we are paying out actually more money on voyage account than we are taking in; that is, freights received are less than cash expended in physical operation of ships alone.

Mr. WOOD. I understand that. Are the corporations that are operating private lines operating at a loss now?

Mr. LASKER. I would say, by and large, yes; the world throughout. Very few are making money.

Losses being sustained by American and foreign lines in last year or 15 months:

(Page 856, hearings.)

Mr. BRIGGS. You mentioned the operation of vessels a few minutes ago by foreign lines as well as American lines, and I think you stated they had all been losing money?

Mr. LOVE. Roughly, I think they have all been losing money.

Mr. BRIGGS. And that has been going on for the last year or so?

Mr. LOVE. The last year or 15 months.

(Page 1023, hearings.)

Mr. BRIGGS. In fact, there is hardly anybody making any money in the shipping business at the present time. Is not that true?

Mr. MARVIN. That is true generally of the whole world.

On the question of improvement in the operation of vessels, Mr. Lasker testified as follows:

(Page 52, part 1, hearings.)

Mr. BRIGGS. Your idea, then, Mr. Lasker, is that there has been but little or no improvement in the situation so far as the operating end is concerned?

Mr. LASKER. Yes; there has been great improvement—tremendous, overwhelming improvement. Yes; there has been tremendous improvement. I think we have surprised the whole shipping world in every quarter of the globe.

Mr. BRIGGS. I mean in the actual operation—everybody, with the crews and personnel and condition of the fleet.



Mr. LASKER. Well, in some cases we are still giving a poor operation, and there I think it is done on purpose. I can not believe that it is an accident. It is some of those who are under contract and can not get out of it, you see. But, by and large, they are really getting a vastly improved operation, and the proof of that reflects itself in our insurance claims, reflects itself in the greater percentage of trade we are carrying, reflects itself in the greater percentage of our ships that are to-day sailing more promptly on the advertised sailing dates than any ships in the world, and that is what makes for confidence.

Mr. BRIGGS. I recollect some testimony you recently gave, I think before the Appropriations Committee, in which you stated it would require very little upturn in rates, I think, to put the Shipping Board on a basis where it would pay for the operation of the fleet. I understand you drew some distinctions at that time that it would not be an investment proposition; it would not be a paying proposition in that sense, but it would pay for the cost of operation.

Mr. LASKER. Yes, sir.

## II.

### OCEAN TRADE REVIVAL EXPECTED WITHIN TWO YEARS.

If, therefore, ocean trade improves—and several advocates of the American Steamship Owners' Association, such as Mr. Marvin, vice president and general manager, and Mr. Munson, of the Munson Lines, and others, testified that there were signs of slight improvement and that they thought that some time within two years an ocean trade revival might be expected—the operating losses of the Shipping Board, as well as the operating losses of private owners, can be terminated. It must be remembered that practically all the witnesses who testified at the hearings agreed with Chairman Lasker that the worst depression in ocean trade which the world has ever known is now being experienced, and it is not known how conditions could become any worse. (See testimony Chairman Lasker, p. 11.)

On the question of improvement in trade conditions, Mr. Munson testified as follows:

(Page 1145, part 20, hearings.)

Mr. BANKHEAD. Well, don't you think the whole economic situation justifies the belief that shipping conditions are going to steadily improve—possibly slowly but steadily from now on?

Mr. MUNSON. I believe they will.

Mr. Marvin also testified:

(Page 1028, part 19, hearings.)

Mr. BRIGGS. What I am asking you now is how soon can you expect a trade revival to normal conditions?

Mr. MARVIN. My own opinion is it will require two years under the most favorable conditions; but we should approximate—I mean get close to more normal conditions in world trade.

### EFFECT OF BILL ON PRICES FOR FLEET.

It is urged that the passage of the subsidy bill will enable the Government to sell its fleet, sell it soon, and sell it at an increase in price of several hundred million dollars.

The evidence does not justify any such assertion or conclusion. In fact the testimony did not indicate anything more than a hope that an increased price might be obtained, but it unquestionably discloses that there was no one in the market practically to buy tonnage, even if the subsidy bill be passed, unless a shipping financial syndicate should be organized (which Mr. Raymond, president of the American Steamship Owners' Association thought possible) and take over the fleet.

In fact, Mr. Raymond did not seem to feel that the passage of the bill would mean the operation of any additional number of American-owned vessels, for he stated that he thought even more would have to be tied up than are tied up now. (P. 975, hearings.)

Mr. Thompson, president of the Texas Steamship Co., indicated that if the subsidy bill were passed and tankers could be bought at the extremely low price at which they can now be obtained that his company might buy some and hold them until trade conditions improved; but he did not indicate whether he meant to buy them at the price of \$40 apiece, which Mr. Teagle, president of the Standard Oil Co., is reported to have told Chairman Lasker that he would not offer for a Government tanker at the present time, or whether he expected to get the tankers for even less.

Mr. LASKER. Well, I will answer that this way: There were peculiar reasons, for instance, with the Standard Oil Co. The president of the Standard Oil Co. told me that if we offered them tankers for \$40 apiece he wouldn't buy them to-day. He couldn't use any more. You have to take one relationship with another. (Hearings, p. 230.)

The probabilities are that, so far as the passage of this bill bringing about an increased price for the Government fleet, it is calculated to have the opposite result, for it removes practically all restrictions regarding the sale of the vessels which were provided by section 5 of the Jones Act, and practically constitutes, by the removal of such restrictions, a legislative direction by Congress to the Shipping Board to sell the Government fleet as soon as possible for the best price that can be obtained, no matter what is bid.

The effect of this proposed change in the present law, which practically means a forced sale of the fleet, can only have the result of causing prospective purchasers, whether shipping

syndicates or other large combinations commanding sufficient capital to buy, to hold off sufficiently until they can take over the fleet at their own price and get it for a song, practically for nothing.

The Shipping Board, as reflected by the testimony of its own officials and by their acts disclosed at the hearings, show that they are not being prevented now under the present law from selling the fleet to-day at even world market prices or lower. The report of the majority of the Committee on the Merchant Marine and Fisheries, accompanying the bill, contains the following statement:

At the present time there is, by and large, no market for our vast tonnage. Compared to the total tonnage built by the Government, practically no tonnage has been disposed of. After thorough consideration, in January last the Shipping Board decided to sell its tonnage at world market prices; and on its steel freighters, after careful investigation, it found this to be a minimum of \$30 per ton for the best tonnage. So difficult is the situation for an owner of American tonnage to-day that even at these prices it has been able to dispose of but 100,000 dead-weight or 65,000 gross tons. (Page 6, committee report American Merchant Marine.)

Which reflects that the Shipping Board concluded to offer the fleet last January at world-market prices, but could not sell it under these conditions. This shows that the Shipping Board was not handicapped by the present law, but was affected by the tremendous decline in ocean trade and lack of demand for ships, even at such an extremely low price as \$30 a dead-weight ton for its best cargo vessels. But in spite of the fact that the privately owned American steamship companies are declining to buy the Government-owned fleet, even at present world-market prices and less—which are at least one-third of what new construction would cost at the present time in the United States—yet these same steamship owners are particularly insistent that the Government should sell its fleet at once and as soon as possible, and that in order to do so the restrictions which it is claimed are imposed by the present Jones Act of 1920 should be removed.

If the present Jones law does not prohibit the Shipping Board from selling the Government fleet at present world-market prices, or even substantially less, what is meant by the insistence for immediate sale, without any safeguards whatever, unless it is that the magnificent American-owned fleet is to be forced on the market and sacrificed at a most tremendous loss, below even present world-market prices?

In fact some of the witnesses at the hearings thought the removal of certain safeguards now provided by law regulating the sale of the Government fleet might result in forcing the fleet upon the market and being sold at the greatest sacrifice, unless the Shipping Board should exercise proper judgment.

But would not the Shipping Board answer, if the new bill is passed, that Congress had exercised such judgment already in the removal of practically all restraints governing the sale of the vessels, and thereby indicating that all such vessels be sold immediately, no matter at what price.

The conclusion is irresistible that the Shipping Board would not only be justified in so deciding, but would probably feel impelled to do so.

Of course, if the fleet is to be sold off at world-market prices, it will probably not be disposed of for several years to come, even if this subsidy bill be passed.

With reference to the time that it would probably take the Emergency Fleet Corporation to sell enough of the Government fleet to go out of business, Chairman Lasker testified at the hearings as follows:

(Page 46, part 1, hearings.)

Mr. LASKER. I say in my statement that within 30 months from the time of the passage of this bill, I felt that I was on conservative ground in promising that we would dispose of sufficient ships to keep going the routes that the Government is now operating, and thus in that period put the Emergency Fleet Corporation out of business. Does that answer you, sir?

(Page 60, part 1, hearings.)

Mr. BRIGGS. I understand that if this bill should be passed it would be the purpose of the board to dispose of the assets as soon as possible.

Mr. LASKER. Yes; it is going to take a long time.

Mr. BRIGGS. I understood you to estimate it would take 30 months, anyway.

Mr. LASKER. Not 30 months to dispose of those ships we are now operating.

Mr. BRIGGS. Of course, those others which you have not given a particularly good name, it may take a whole lot longer.

Chairman Lasker testified (pp. 236, 237, hearings):

Mr. DAVIS. It was stated in the press some time ago, purporting to come from members of the Shipping Board, that \$200,000,000 was expected to be realized. Is that substantially correct?

Mr. LASKER. I would not stand back of that figure. I do not know. It is in the womb of the future. If you don't give us this legislation you will never get this \$200,000,000; if you give us this legislation, you may get more. How much I don't know.



Mr. DAVIS. Now, Mr. Lasker, I assume that you and your associates have made some sort of estimate as to what you would hope to realize out of our fleet in the event this bill goes through?

Mr. LASKER. I have answered that at such length to the judge and to Mr. BRIGGS that I can not think of a new way to answer it.

As demonstrating the accuracy of the statement that it is not seriously contemplated that even the passage of the subsidy bill is expected to bring a better price for the ships than can be obtained now, even though bids for the fleet last March were regarded as "facetious" and "jokes" by Chairman Lasker, attention is called to the testimony of Vice President Love, of the Emergency Fleet Corporation, witness on behalf of the Shipping Board, who testified as follows (pp. 862, 863, pt. 17, hearings):

Mr. BRIGGS. I want to ask this question. I don't know that it was made quite clear to my mind. Suppose this fleet was put on the market to be sold. As I understand, you think that is what ought to be done with it, at the earliest possible moment—that it ought to be put on the market and sold?

Mr. LOVE. Get it into private hands.

Mr. BRIGGS. Suppose it could not be sold except to a very few large companies. Do you think it ought to be sold under those conditions just the same?

Mr. LOVE. It might just as well.

Mr. BRIGGS. Irrespective of whether it could only be sold to a few large companies, one or more, you think it ought to be sold just the same?

Mr. LOVE. I do.

Mr. BRIGGS. At the best price they could get, putting it on the market.

Mr. LOVE. I do.

Mr. BRIGGS. Mr. Love, I think you said you didn't know what the bids were that came in?

Mr. LOVE. No; I do not.

Mr. BRIGGS. There is nothing in this bill, so far as you know, except the advantages offered in the way of subsidy and general advantages which the bill offers, that would produce a larger return from the ships than if they were sold now, is there?

Mr. LOVE. Well, I don't quite get your question.

Mr. BRIGGS. I mean by that, there is nothing to insure the Government a better price for these ships, if this bill should pass, than they could get right now, other than the fact that the subsidy would be paid. Is that true?

Mr. LOVE. Oh, yes.

Mr. BRIGGS. Well, now, if the fleet is to be sold and sold as promptly as possible, and that fact is known, don't you think bidders would hold back and bid just about as low as they could buy that fleet for?

Mr. LOVE. Oh, they might. The question of this subsidy is going to have a very vital effect on the value of that tonnage.

Mr. BRIGGS. Of course, it will. I am not speaking about that. I am speaking about the price the Government can get for its fleet. Suppose the bids came in—if this bill should pass—and the bids made were of about the same character as those recently made for the fleet, and it was thought then that Congress intended that the fleet should be sold and put into the hands of private operators at the best price the board could get. They would have to sell it?

Mr. LOVE. Then you are going to end all the good that is done, because if you are going to hold it and sell it at the value established after the subsidy is made a law, you are going to put into the hands of the private operators ships at a higher cost and put another burden on them.

Mr. BRIGGS. You don't think that ought to be done?

Mr. LOVE. Let them sell the ships at the best price they can get for them now and start over, like everybody else starts.

Mr. BRIGGS. Well, it is generally conceded that nobody now wants ships. That is true, isn't it?

Mr. LOVE. That is true.

Mr. Raymond, president of the American Steamship Owners' Association, apparently does not think that any more than present world-market prices ought to be asked for the Government fleet, even if the subsidy bill is passed. (Pp. 972-973, part 18, hearings.) A syndicate also may be organized to take over the fleet:

Mr. BRIGGS. How much do you think they would bring if a subsidy bill were passed?

Mr. RAYMOND. I do not think that should be a question to the citizen; I think the Government should try to put the American shipowner, or any American citizen who wants to become a shipowner, on a parity with the foreign owner; but, as I have stated here, and have given evidence, the sales of foreign ships have been around \$20 a ton, and some a little more—\$23 a ton for a very fine ship in New York the other day. And you can not assess or undertake to place upon the American purchaser a higher value than he can purchase abroad and have him compete with the foreign-flag vessel. He has his capital charge on the vessel 24 hours out of the day.

Mr. BRIGGS. What I am referring to particularly is this: Suppose you could not get \$20 or \$25 a ton, do you think they ought to be sold for \$5 a ton or \$10 a ton or any price they would bring?

Mr. RAYMOND. You would not have to go to that, Mr. Briggs. I think that is too far-fetched.

Mr. BRIGGS. Who do you think would take those vessels over, because it involves a good deal of money? Even if you only had the 3,000,000 gross tons to dispose of, at \$50 a ton, it would take a considerable amount of money, would it not, to swing that?

Mr. RAYMOND. I had the privilege of serving on a committee two or three years ago—an advisory committee—with five other experienced men, known over the United States as men of ability, one of whom has passed away, and we recommended at that time the sale of those ships and a price for them. We conferred with every shipowner and others that were interested in the purchase of ships, and even with bankers; and at that time a syndicate could have been formed similar to what was done in Great Britain. When Great Britain turned over to this syndicate, headed by Lord Incheape—I do not know what his first name was—a syndicate could have been formed to have taken the Shipping Board fleet that was desirable out of the Government's hands and then disposed of it over the country. There was business then for them. To-day there is no business. But I would have the courage to believe that if it could be determined what ships would be sold and at a low price, that the aid that is here asked for, plus little additions

that we may ask for, that you could have something concrete to go before the banking communities of the Nation, and that this syndicate could be formed again, and they would carry those people that wanted to buy them. I believe that; I do not know that it could be done, but I believe it. I do not think it would be necessary to go down to any \$5 or \$10 a ton, or even to \$15; but if you will put the ships, as I say, at the value of other flag tonnage and give the aids necessary to offset the differences in cost, then you will come nearer to disposing of the fleet than you will in any other way.

Mr. BRIGGS. Is it your belief that this financing would have to be done by a very large syndicate?

Mr. RAYMOND. It might be; but the Government ought to help finance that if it got clear of them under the provisions of this bill.

As also showing that little or no expectation of much or any increase in the price of ships, even if the subsidy bill be passed, Mr. Munson, of the Munson Lines and American Steamship Owners' Committee, testified as follows:

(Page 1150, part 20, hearings.)

Mr. BANKHEAD. Now, do you think within that period of two years the American investing public will be sufficiently interested in the purchase of our whole fleet to form companies to furnish the capital to buy these vessels the Shipping Board is going to sell?

Mr. MUNSON. My opinion is that a very large majority of the really efficient boats owned by the Shipping Board would be absorbed within two years after the passage of this bill.

Mr. BANKHEAD. At the suggested rate of \$30 a ton?

Mr. MUNSON. Yes; at a fair market rate—let me qualify that—which may be determined by the Shipping Board from time to time.

Mr. BANKHEAD. Well, that may be increased—

Mr. MUNSON. It may be increased or decreased.

Mr. BANKHEAD. As you suggest, it may be increased or decreased. Now, how long do you think that this subsidy is going to have to be paid, Mr. Munson?

Mr. MUNSON. My feeling is that American capital, particularly in these southern, southeastern, and western ports, will be far more interested if the subsidy was passed for 20 years than they would be if it were passed for 10 years.

Mr. Eugene O'Donnell, secretary of the Maritime Association, Boston Chamber of Commerce, and private American operator, testified that even if the subsidy bill passed he did not think that the Government fleet, if forced on the market, would bring up the price. His testimony is as follows:

(Page 912, part 17, hearings.)

Mr. BRIGGS. There is a tremendous amount of trade depression at present, perhaps the greatest the world has ever known, isn't there?

Mr. O'DONNELL. That is correct, as I understand it.

Mr. BRIGGS. If these ships had to be forced on the market at the present time and sold at the earliest possible time, do you think that even if the bill should pass, as provided here, that that would insure better prices?

Mr. O'DONNELL. For the board?

Mr. BRIGGS. Yes.

Mr. O'DONNELL. No. I don't think that it would. Naturally, any forced sale must mean reduced prices.

As to how soon the Government fleet ought to be sold, Mr. Raymond, president of the American Steamship Owners' Association, testified, on cross-examination, as follows:

(Page 971, part 18, hearings.)

Mr. BRIGGS. I want to get your statement with reference to the disposition of this fleet. How soon do you think it ought to be disposed of, Mr. Raymond?

Mr. RAYMOND. At once.

Mr. BRIGGS. Irrespective of what price they could get for it?

Mr. RAYMOND. Yes, sir.

The pending bill also contemplates credit rather than cash sales of the ships, and on 15 years time, with no provision for payment of any part of the principal during such period beyond a depreciation estimate, for which security may be given.

#### HOW THE FLEET WILL BE DISPOSED OF.

Chairman Lasker at the hearings testified:

(Pages 7 to 8, hearings.)

On the 6,000,000 tons of freighters the Government possesses, it is the hope of the Shipping Board that ultimately a great measure of the 3,000,000 good tons will find itself in the hands of American owners, should the legislation here proposed be adopted. It is doubtful if, under the happiest conditions, the American flag will need the 3,000,000 good tons in its entirety, and ways and means must be found to dispose of such of the good tonnage as remains, so that American interests will not be hurt. Under no circumstances must the surplus good tonnage that America can not absorb be disposed of so as to bankrupt those who buy from the Government at current prices.

Automatically the 3,000,000 poor tons must be done away with. Part of it can be used by selling to Americans the hulls at low figures for conversion to types of freighters of which we are not possessed. The balance may either be sold in small quantities in local trades abroad, if any, where because of shorter runs and cheaper labor local operation may be possible, or it must largely be dismantled. For if we permit a potential surplus to remain, with the possibility of its use in only abnormally prosperous times when any tonnage can be profitably operated, the burden of loss will fall on the good tonnage in times of adversity without full enjoyment of profit in time of prosperity, and thus we depress the price of all of our tonnage, and so it will come to pass that we shall liquidate the whole for less than we could liquidate the good part.

It is the unneeded surplus, in ships as in all else, that determines the market, and the same circumstances that forced some farmers to burn their corn last winter demands that, at least in so far as the uneconomical 3,000,000 tons of freighters go, we recognize that one of our problems is to force its disappearance from the market. If we are to induce private investment in American ships it must be under an assurance as to what will be done with the surplus tonnage, plus an assurance that the Government will retire from operation, for private owners can not live and can not finance themselves with those two swords of Damocles hanging over their heads.



## PREPARATION FOR SHIP-PURCHASING SYNDICATE.

Apparently in line with the plan suggested by the president of the American Shipowners' Association at the hearings on the ship subsidy bill, wherein he stated that he thought it might be possible to organize a syndicate for the purchase of the Shipping Board vessels, it is reported that steps to that end are being completed to have such a plan perfected, for a recent issue of the New York Journal of Commerce reports the organization of the Maritime Trust Co. of America for the purpose of financing shipping operations under the American flag. The organizers are H. H. Raymond, president of the American Steamship Association, and a number of other ship operators and builders.

It would therefore seem no fantastic or visionary idea that the large interests have in view the organization of a great shipping syndicate to take over the Government-owned fleet at practically their own price, and then to enjoy the benefit of the vast subsidies and bounties to be provided under the subsidy bill upon a basis of new construction costs.

## GOVERNMENT FLEET NOT IN COMPETITION WITH PRIVATE OWNERS.

The impression also seems to have been created, after the most vigorous and skillful efforts through propaganda, that the operation of the Government fleet is resulting in competition with privately owned and operated vessels, which is driving the latter from the seas. This is only another instance of the misleading and unreliable propaganda disseminated apparently with a view to bolstering up support for the colossal subsidy program proposed.

Mr. Marvin, vice president and general manager of the American Steamship Owners' Association, who is heart and soul for the subsidy program in the pending bill, and who wants even more subsidy than the vast sums provided there, states that from 66½ per cent to 75 per cent of the Government-owned fleet is tied up now and only the remainder being operated, while it is estimated by him that only 25 per cent of the privately owned fleet is tied up and that 75 per cent of the same is being operated. His testimony is as follows:

(Page 1022, part 19, hearings.)

Mr. BRIGGS. Mr. Marvin, what proportion of the American privately owned fleets is being operated? I think the Shipping Board testified that it is operating out of its fleet something over 400 ships, about 421. If my recollection serves me correctly, with something over a thousand tied up.

Mr. MARVIN. As an estimate, and only as an estimate, and that the result of a good deal of conference with owners, I should say that at the present time 25 per cent of our privately owned tonnage is idle.

Mr. BRIGGS. Twenty-five per cent?

Mr. MARVIN. Yes.

Mr. BRIGGS. The proportion of the Shipping Board vessels, of course, is much greater than that?

Mr. MARVIN. Yes.

Mr. BRIGGS. Said to be nearly 75 per cent?

Mr. MARVIN. Yes.

Mr. BRIGGS. If not quite that, between 66½, anyway, and 75 per cent?

Mr. MARVIN. Yes.

Mr. BRIGGS. Now, lots of those vessels of the Shipping Board that are tied up are good vessels, are they not?

Mr. MARVIN. Yes; they are good vessels.

The testimony at the hearings moreover discloses beyond question that so far from driving the American privately owned ships from the ocean, every effort is being made to promote such lines and trade routes and withdraw Shipping Board vessels whenever privately owned lines are willing to take such routes over. In fact, that is chiefly the reason why only about one-fourth of the privately owned fleet is laid up, but nearly three-fourths of the Shipping Board fleet is idle.

That this condition obtains can not be seriously disputed. The following excerpts from the testimony of American private steamship owners and operators are herewith given, which fully sustain the accuracy of the statement that American privately owned steamship companies are being given preference by the Shipping Board and not driven from the seas by Government vessels.

Chairman Lasker also stated, at the hearings on the subsidy bill, that the Shipping Board was giving the privately owned American tonnage preference in operation on any route upon which such privately owned line operated.

The effect of this preference was also manifested in the statement of Chairman Lasker that only about 20 per cent of the privately owned tonnage was laid up as compared with the Shipping Board tonnage. He testified:

(Page 58, part 1, hearings. Also page 8, urgent deficiency hearings, 1922, bill.)

Mr. BRIGGS. What proportion of the American-owned tonnage is not laid up as compared with the Shipping Board tonnage?

Mr. LASKER. A very small percentage. About 20 per cent as much of the privately owned tonnage is laid up as compared with the Shipping Board tonnage, and a goodly share of that is coastal tonnage.

Mr. BRIGGS. About how much of that is coastwise?

Mr. LASKER. I don't think we know. We haven't made that survey.

Mr. BRIGGS. Has the Shipping Board in its operation given preference to the privately owned tonnage as far as they could do so in the operation of any line or anything of that kind?

Mr. LASKER. Well, I don't know that I get your question.

Mr. BRIGGS. I mean, for instance, wherever it appeared that private lines could exist and carry on, has the Shipping Board given them any opportunity to do so?

Mr. LASKER. Oh, yes. The law makes that mandatory.

Mr. BRIGGS. That is what I thought.

Mr. LASKER. Absolutely. For instance, here, say that there were three lines going to a certain port and it looked as if two lines could serve it, we have withdrawn one of our lines.

Mr. Lasker further testified:

(Page 871, hearings, "Independent offices appropriation bill, 1923.")

Mr. WOOD. What trouble do you have, if any, in your competition with the owners of private ships?

Mr. LASKER. Under the merchant marine act of 1920, through which we operate, it is the purpose of the Government not to use its great wealth and great power to the detriment of privately owned ships. In fact, the whole spirit of the act is for the Shipping Board to aid in building up privately owned ships in order that the Government may ultimately dispose of its fleet to private owners.

(Page 232, part 2, hearings.)

Mr. DAVIS. You stated yesterday, Mr. Lasker, that some of our prospective customers had been driven off the sea by Shipping Board vessels, I believe. Will you please tell us any private American lines that have been driven out of business by these Shipping Board vessels?

Mr. LASKER. They were driven off of routes, I said. I don't mean off of the seas, but out of a given route. We have constantly cases—I would not say constantly, but we have people who come and say constantly that they are losing money. I don't know that I said they were driven off of the seas, but I will say they are losing money.

Mr. DAVIS. You used the words "driven off the seas," on page 5 of your testimony.

Mr. LASKER. I will give you the names of the routes. I haven't got it in mind, but I will put that into the record.

Mr. DAVIS. As I understand it, you do not wish to be understood as saying that they were absolutely driven off the sea?

Mr. LASKER. I said driven off in the past, not now, because we have cut down the number of ships. We don't do it any more.

Mr. DAVIS. Now, since the Shipping Board has been in operation I want to know any American line that you have driven off of the seas, if any.

Mr. LASKER. I will furnish that information to you to-morrow. I will get the details on that.

Mr. DAVIS. I understand your two experts to say that there are none.

Mr. LOVE. I do not know of a single one. Possibly you have in mind the Luckenbach Steamship Co.

Mr. DAVIS. No; I was simply asking Mr. Lasker about a statement of his yesterday.

Mr. LOVE. I do not know of a single one.

On July 27, 1921, before the Appropriations Committee, Chairman Lasker also testified:

In many cases we took our Government-owned boats off and gave preference to privately owned boats. (Page 8, urgent deficiency bill.)

As illustrative of the fact that even the American Steamship Owners' Association does not claim that the Government has been unfair in the operation of its ships or driven them out of business through its competition I quote further from the testimony at the hearings, as follows (p. 969, pt. 18, hearings):

Mr. RAYMOND. I think one of the greatest opportunities for trade revival in the United States is to get rid of this menace of Government-owned ships in competition with privately owned property. There is no reason for us to keep going on here indefinitely, speaking for our own companies and not for the association, with a losing proposition. On the contrary, we are ship people. I have been engaged in it my entire business life, and my family before me, and so are the people I am associated with; and it is reasonable to suppose, as that is our business, we would go anywhere we could, with a reasonable opportunity of making some profit or a reasonable chance of making a profit.

Mr. BRIGGS. You are referring to Government competition. Have you any special line or lines in view? I think under the Jones Act of 1920 it was provided the Government should not engage in competition with private lines, but, rather, should stimulate them and encourage them as far as it was possible to do so, with a view and purpose of getting them to take over the Government-owned lines and operate them.

Mr. RAYMOND. The steamship owners are rather fortunate in having a sane board and sane people to handle the property that is in their hands. If they did not, why, they would have us all out of business. They have been perfectly fair in their competition; I am not complaining about that; but there is that menace. You can encourage and can not persuade a banker, any new man going into the business, to loan his money on ship property, nor could you get a shipbuilder to entertain a proposition to build you property if you did not have the cash to pay for it, so long as these ships are floating around here in the air.

## CONDITION OF GOVERNMENT TONNAGE.

Even with the 10,000,000 dead-weight steel tonnage which is owned by the Government, the Shipping Board was not able to state the condition of at least a half of it, except in the most general and injurious way—that is, from "fair to useless."

The 5,000,000 tons from fair to useless it is contemplated apparently by the board to either sink or junk or sell to foreign countries for anything that can be obtained, even though Mr. Raymond, Mr. Marvin, and Mr. Farrell testified that all the steel tonnage was good tonnage, but some of it more efficient than another part.

(Page 236, part 2, hearings.)

Mr. DAVIS. Now, Mr. Lasker, in reaching your estimate of the percentage of our ships that are first class you do it largely along the lines of tonnage, do you not?

Mr. LASKER. No; we took a survey of each ship. We do it by ships. Each ship was surveyed.



But neither Mr. Lasker nor anyone else who testified was able to tell what part of the 5,000,000 dead-weight tons of the fleet classed as from "fair to useless" tonnage was to be called as "fair" and what as "useless."

Both Mr. Raymond, president of the American Steamship Owners' Association, and Mr. Marvin, vice president and general manager of the American Steamship Owners' Association, testified that they thought that practically all the steel tonnage owned by the Government is good tonnage, but only about 50 per cent of it suitable for American trade.

(Page 970, part 18, hearings.)

Mr. BRIGGS. What do you think about the other steel ships? Are you familiar with the types of the steel ships and their characters?

Mr. RAYMOND. Most of them.

Mr. BRIGGS. What would you say as to how many of the 6,000,000 gross tons of steel vessels you would regard as good tonnage and how much is worthless?

Mr. RAYMOND. I should not say any of the steel vessels are worthless, because they are all good. They must have some market somewhere, but we are very much overtonnaged here with certain sizes of ships. I would say, without any absolute knowledge, as an estimate only, that only 50 per cent of the steel vessels are fit to be retained under the American flag.

Mr. BRIGGS. The rest ought to be disposed of somewhere else?

Mr. RAYMOND. Somewhere or other.

Mr. Marvin, vice president and general manager of the American Steamship Owners' Association, testified:

(Page 1021, part 19, hearings.)

Mr. BRIGGS. The Government owns in steel tonnage approximately 6,000,000 gross tons, doesn't it?

Mr. MARVIN. It does.

Mr. BRIGGS. Are you familiar with the character of that tonnage? By that I mean, in the classification you alluded to a moment ago as good tonnage, what proportion of that fleet would you say was "good tonnage"?

Mr. MARVIN. All of that steel tonnage is good tonnage—some of it better than the rest, but good tonnage.

Mr. Munson, president of the Munson Steamship Lines, however, testified that in his opinion one-half of the steel tonnage, or about 3,000,000 gross tons, was inefficient and ought to be sold at about \$5 a ton. (Page 1166, part 20, hearings.)

Mr. BRIGGS. Now, for instance, I think you testified that some of these ships you regarded as in the inefficient class. That is rather an indefinite term, of course, but we will get back to that in a little while; but you testified they should be sold at about \$5 a ton.

Mr. MUNSON. That is right.

Mr. BRIGGS. I understand that there are about 3,000,000 gross tons of ships which are classed, I assume by the board, Mr. Lasker, their spokesman, as from fair to useless for some purposes. Do you regard those as inefficient types?

Mr. MUNSON. Yes, sir.

Mr. BRIGGS. You do not think they ought to be expected to bring over \$5?

Mr. MUNSON. I said that in connection with conversion purposes.

Mr. BRIGGS. For whatever purpose. Suppose they want to utilize them in their trade and they are not efficient, those vessels would fall within that class of inefficient?

Mr. MUNSON. Yes, sir.

NO REDUCTION IN OCEAN RATES CONTEMPLATED AND NO REGULATION OF THEM.

Commissioner Plummer is recently reported to have made the assertion that the pending ship subsidy bill was designed to or would have the effect of reducing ocean rates.

There is nothing in the bill providing for such reduction of rates, unless it is claimed that the tax rebate on freight moneys paid is equivalent to such reduction.

The bill, however, does not provide for control of ocean rates in foreign commerce, and Chairman Lasker expressly states that it was not the purpose of the bill to control them in any way, and intimated that he did not approve any such control by governmental agencies.

The following testimony was adduced at the hearings (page 209, part 2, hearings):

Mr. BRIGGS. How would you prevent—or how do you propose to prevent—the pooling such as obtains now by agreement, in these conference agreements, after the disposition of the fleet; that is, the international pooling agreements whereby the rates are fixed?

Mr. LASKER. The present law that we propose does not go into that feature any more than we go into such changes, if any, as should be made in the navigation act. That is not the purpose of this law—of this present proposed law.

Mr. Lasker frankly admitted that the present system of conference agreements as to rates—that is, agreements between American and foreign lines, as to what passenger and cargo rates should be—was heartily indorsed by him and indicated that no departure was contemplated from the practice of fixing foreign or American rates through such conferences.

The following testimony was adduced at the hearings:

(Page 209, part 2, hearings.)

Mr. LASKER. The Shipping Board believes in conferences. You can not have a merchant marine without it because the fighting would be so great they would all lose money.

(Page 210, part 2, hearings.)

Mr. LASKER. I do not think any private operator will try to get better rates than the Shipping Board tries to get. We try to get everything the traffic will bear and permit American manufacturers to compete with the world.

Mr. BRIGGS. It is the purpose of the Shipping Board, as I understand it, to make reasonable transportation rates and insist upon those in these conference agreements with foreign companies, is it not?

Mr. LASKER. It is not the purpose of the Shipping Board to subsidize American manufacturers by getting the rates so low as to equalize them.

Mr. BRIGGS. I do not imagine the Shipping Board would, on the contrary, want to get them so high that it would put an unnecessary burden or tax on the production of industrial organizations.

Mr. LASKER. You understand if the rates are too high, the shipping companies won't carry the cargoes. It is an automatic thing. I do not think, by and large, the conference rates would be higher, with the Shipping Board out of operation, than with the Shipping Board in; at least my instructions to our men are that the main purpose of the Shipping Board should be to keep routes going, as per the mandate of the Jones Act; but it is not the purpose of the law anywhere that the Shipping Board be used as an instrument for cutting rates to American shippers.

Mr. Love, vice president and general manager of the United States Shipping Board Emergency Fleet Corporation, also testified as follows:

(Page 859, Part 16, hearings.)

Mr. BRIGGS. Now, I want to ask you about conference rates with reference to other parts of the country. Don't the Shipping Board have a conference rate established with reference both to passenger and freight service from the Atlantic to the Gulf?

Mr. LOVE. We are members of many conferences.

Mr. BRIGGS. Well, don't they establish conference rates?

Mr. LOVE. Yes.

Mr. BRIGGS. Don't they have passenger as well as cargo?

Mr. LOVE. In a number of the trades we do.

Mr. BRIGGS. Is that in most of the trades?

Mr. LOVE. The bulk of them.

Mr. BRIGGS. Do you adhere to those conference rates?

Mr. LOVE. Our people do.

Mr. BRIGGS. Well, so far as you are able to ascertain, are the others doing it or not?

Mr. LOVE. We believe they are.

Mr. BRIGGS. You would be pretty quick to determine it if they weren't?

Mr. LOVE. We would.

Mr. BRIGGS. You would be able to tell by the cargo whether there was a leak in the cask or not?

Mr. LOVE. We could.

Mr. BRIGGS. I thought so. And those rates are fixed at levels according to the grade or character of the service and the grade or character of the ship, are they not?

Mr. LOVE. Not so much with reference to the trade of the service, but the trade and the commodity itself.

Mr. BRIGGS. I mean, that is true with reference to the passenger ships?

Mr. LOVE. Oh, yes; all passenger ships are graded.

Mr. BRIGGS. It isn't so much with reference to the cargo service?

Mr. LOVE. Oh, no.

Mr. BRIGGS. It is the trade and the cargo you spoke of?

Mr. LOVE. Oh, yes.

Mr. BRIGGS. Have you ever given any consideration to—after the disposition of this fleet into private ownership—the question of conference agreements, to the effect that they would have on the rates that might have been put in, as you stated recently?

Mr. LOVE. Mr. BRIGGS, I represented the Atlantic Transport Co., and after that the International Mercantile Marine Co. for possibly 20 years in the United Kingdom conferences. They were private owners, and conferences, as a rule, tend to the prevention of extremely low rates and likewise to the prevention of extremely high rates. They stabilize the market. They enable a man who is selling a typewriter, a bicycle, an automobile, corsets, and a hundred other articles to send out a price list in England at the beginning of the year and sell at that price throughout the 12 months. He can carry on his selling campaign almost a year ahead and know exactly what it is going to cost him 12 months in advance to lay down any given commodity in his warehouse in the United Kingdom.

Mr. BRIGGS. It is true, isn't it, that the influence of the Shipping Board has been, even with respect to the conference, to aid in keeping rates down to a more nearly reasonable basis, even during the period when much higher rates might have been exacted?

Mr. LOVE. It has had a leveling influence.

Mr. BRIGGS. It has had a helpful influence, I understand?

Mr. LOVE. In many cases.

Mr. BRIGGS. I want to ask you, therefore, if this fleet should go into the hands of a few individuals or a large organization of capital, whether or not it would not vest in them the power to dictate what the rates should absolutely be in connection with conferences with foreign interests? Couldn't that be done?

Mr. LOVE. It might come within their power; but they wouldn't make use of it.

Mr. BRIGGS. You don't think there would be any misuse of it?

Mr. Raymond, President of the American Steamship Owners' Association, testified as follows (p. 961, pt. 18, hearings):

Mr. BRIGGS. Well, the conference rates are made by agreement between foreign lines and American lines, are they not?

Mr. RAYMOND. That is right.

Mr. BRIGGS. So there really is not very much competition in the conference rate; it is rather an agreed rate or price.

Mr. RAYMOND. It is my understanding at some of those conference meetings you would think there was competition if you were in them. I do not want to go.

Mr. BRIGGS. But when they get through with the interesting time you are talking about, the debate and discussion you are talking about, they work out some conference rates?

Mr. RAYMOND. Oh, there is not any reason—none of them give up their right to name any rate that they want. There are some of them that do, and withdraw.

Mr. BRIGGS. As long as they are members of the conference, though, they are expected to observe the conference rates, are they not?

Mr. RAYMOND. That is right.

Mr. BRIGGS. That is the usual practice, I think Mr. Love stated. Mr. RAYMOND. It has been for many years, and it can not be otherwise, in my judgment.

Mr. Marvin, vice president and general manager of the American Steamship Owners' Association, testified as follows:  
(Page 1054, part 19, hearings.)

Mr. BRIGGS. I want to ask you this on the question of operation: The conference rates obtain generally, do they not, now throughout the world—the shipping world?

Mr. MARVIN. Generally speaking, in the important trades they do prevail most of the time.

Mr. BRIGGS. Fixing passenger and freight rates?

Mr. MARVIN. Yes, sir.

Mr. BRIGGS. Do you think there is any danger, without any regulation of control being vested in a Government agency over those rates, of huge combinations increasing those rates up to as much as the traffic would bear and enhancing the cost of operation to the people?

Mr. MARVIN. I believe that under the publicity commanded by American law there is no danger of unfairness in the long run in the operation of the conference system.

Mr. BRIGGS. Do you think that confidence has been justified in many other channels and avenues of trade these days?

Mr. MARVIN. Where publicity obtains; yes.

Mr. BRIGGS. Aren't the disclosures these days that are being given to the public of tremendous abuses that have been practiced such that indicate that if the profits were high enough they might risk a whole lot of publicity, if it was long enough in coming?

Mr. MARVIN. I am a great believer myself in the virtue of publicity.

Mr. BRIGGS. You think that would be an effective check, without any provision for regulation?

Mr. MARVIN. I do believe it would, and, in the nature of the business itself, a shipping company like any other concern that raises its prices too high loses its trade.

#### SHIPPING BOARD CAN NOT CONTROL RATES.

The Shipping Board, through its general counsel, admitted at the hearings that the Shipping Board has no power to either fix or pass upon the reasonableness of ocean rates in foreign commerce. Mr. Beecher, general admiralty counsel for the Shipping Board, testified as follows:

(Page 922, part 17, hearings.)

Mr. BRIGGS. And there is no power given to the Shipping Board to fix rates?

Mr. MANGHUM. There is as to coastwise.

Mr. BRIGGS. I am speaking about foreign commerce.

Mr. MANGHUM. No; it is only to remove discrimination.

Mr. BRIGGS. I am asking Mr. Beecher as to that. He has made a special study of that, as counsel for the Shipping Board.

Mr. BEECHER. There is no power given to fix reasonable rates.

Mr. BRIGGS. Or to pass upon the reasonableness of the rates that are fixed?

Mr. BEECHER. No.

Mr. BRIGGS. I understood so.

Mr. Beecher, counsel for the Shipping Board, testified that under existing law there is no provision for the regulation of ocean rates in the foreign trade by a Government agency:

(Page 306, part 4, hearings.)

Mr. EDMONDS. Now, let me ask you this: If the shipper gets the benefit on his income tax or return if he ships in American ships, he is going to pay a little more for that to ship in American ships, but the result will be your ships will be more profitable.

Mr. LASKER. Certainly. And if he gets a 5 per cent reduction, he can afford to pay 4 per cent more; but, of course, he won't have to.

(Page 1238, part 21, hearings.)

Mr. BEECHER. The Shipping Board is not given any power to fix rates with respect to vessels of any type or character engaged in foreign commerce; the power with respect to rates relates to maximum rates only in connection with coastwise commerce of the United States, therefore the inquiry that you were directing with reference to tramps and the subsidy of tramps in the foreign trade, I think perhaps is based upon that misapprehension of the existing state of the law.

Senator FLETCHER. Well, here is section 17, perhaps we had better set it out in the hearings:

"That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly prejudicial to exporters of the United States as compared with their foreign competitors."

Mr. BEECHER. That is only control.

Senator FLETCHER. Then it goes on:

"Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge."

That seems to me to give pretty broad powers, and it refers to carrier by water in foreign commerce.

Mr. BEECHER. Yes, Senator; but they can not pass upon the reasonableness of rates or fix what the rate shall be, whether it be high or low; the only control is with relation to discriminations in the respects which you have read from the law.

#### SUBSIDY BENEFITS.

Although two-thirds of the commerce of the world is carried in cargo carriers, and the Government owns these vessels in greatest number, this type of ships receives less subsidy under the bill than vessels of any other type. Ocean greyhounds will obtain the greatest bounties and oil tankers will draw down nearly \$5,000,000 annually, and almost \$10,000,000 if they obtain the benefit of the double subsidy provision of the law.

The subsidies provided in the pending bill aggregate annually from ten to twenty times more than ever before proposed, so far as is known, in any subsidy bill ever considered by Congress.

It provides greater subsidies than the total amount last reported by the Department of Commerce as including all mail subventions, admiralty payments, and subsidies paid by all other nations combined.

#### SLOW CARGO SHIPS CARRY TWO-THIRDS OF WORLD TRADE.

Most of the world trade now is carried in slow-speed cargo ships, about 8 to 11 knots; and although there is a tendency toward liner service, with some increase in speed, such tendency in cargo carriers is not marked.

(Page 1048, part 19, hearings.)

Mr. BRIGGS. The greatest amount of trade is really carried in cargo ships?

Mr. MARVIN. It is in this class of ships all over the world.

Mr. BRIGGS. The slow-speed ships?

Mr. MARVIN. Relatively slow-speed ships, of 8 or 11 knots.

Mr. BRIGGS. About two-thirds of the world's commerce, I think, according to the study submitted here, is carried in those ships?

Mr. MARVIN. The bulk of the world's commerce is carried in ships of this description, and it is ships of this description that make up most of the Government's tonnage, the purchase of which by private capital we are considering.

Mr. BRIGGS. Do you expect that to continue, that in the trade the bulk of the commerce will continue to be carried by the cargo ships, such as this?

Mr. MARVIN. For many years to come. There is a tendency in the world's trade at large for liners of somewhat higher speed, generally speaking, as the years go on to take a greater and greater volume of the commerce of the world. That is, more and more of the commerce of the world is moved, generally speaking, year after year, by ships maintained on regular schedules and of a speed that tends slightly to increase.

Mr. BRIGGS. Has that been very material and appreciable in the last few years?

Mr. MARVIN. The progress, I think, was interrupted by the war greatly, and the change from year to year is hardly perceptible.

Mr. BRIGGS. Hardly perceptible?

Mr. MARVIN. I have noticed it over 30 or 40 years' observation of the commerce of the world, but from year to year there is slight change.

Mr. BRIGGS. So that it is making slight progress?

Mr. MARVIN. Yes.

Mr. BRIGGS. And it is your opinion that for a long time to come the great majority of the cargo will be carried in ships of this description?

Mr. MARVIN. In ships of this description.

Mr. BRIGGS. They can utilize ships of this description in liner service as well as tramp service?

Mr. MARVIN. Many ships of this speed are employed in berth service, regular line service, regular cargo service in almost all ports in almost all nations.

Mr. BRIGGS. In other words, you can not carry certain cargoes on certain voyages or certain routes and earn anything unless you do employ that type of steamer?

Mr. MARVIN. It is absolutely necessary, with the economy made possible by these steamers.

Mr. BRIGGS. When you begin to increase the speed of the vessels, you begin to increase materially the operating costs?

Mr. MARVIN. Every increase of a knot increases cost heavily, particularly when you raise to 15 knots and upward. As I say, while there is a tendency toward the use of liners of 12 or 13 knots speed, or 14 knots in some instances, the change is very slow from year to year.

Mr. BRIGGS. And these ships are to be for a long time to come the great carriers of the ocean trade?

Mr. MARVIN. For a long time.

The cargo ships of the Government fleet are all vessels with a speed of from 8½ to 10 knots an hour, with the exception of 15 which have a speed of 12 knots or over. This does not include passenger or combination vessels. (See testimony of Mr. Merrill, p. 500, hearings.)

It is therefore apparent that the 10,000,000 dead-weight tons, or 6,000,000 gross tons, of Shipping Board cargo carriers are precisely the type and speed of cargo carriers employed in transporting about two-thirds of the world's tonnage. (See testimony of Mr. Merrill, pp. 434 and 496 of hearings.)

In testifying to the "economical" speed of cargo steamers, Mr. Rosbottom testified that it was from 8½ to 10 knots an hour, his testimony being as follows:

(Pages 369 and 370, part 6, hearings.)

Mr. BRIGGS. And have you had any experience—well, I will pass that just for the moment. In your operation of cargo steamers, what is the general speed at which they are operated?

Mr. ROSSBOTTOM. Well, the cargo steamers that I operated ran from 8½ to 10 knots.

Mr. BRIGGS. Why were they operated at such a speed as that? Was that the daily speed of the cargo steamers?

Mr. ROSSBOTTOM. That was the economical speed for the steamers we were operating.

Mr. BRIGGS. Why do you call it the "economical" speed? What is the reason for that? Why do you fix it at as low a rate as that?

Mr. ROSSBOTTOM. The maximum speed that cargo steamers are capable of is about 12 knots, but to do that you have to drive her.

Mr. BRIGGS. What do you mean by "driving"?

Mr. ROSSBOTTOM. You have to work your firemen very much harder than you do when you are operating about 9½ or 10 knots an hour. Your coal consumption is greater; and you don't need to operate her at 12 knots' speed if you can reach the ports at which you are to call operating at a 10-knot speed. Your operating expense is very much less when you can operate a steamer at her economical speed than it is if you try to force her.

#### NO REAL DIFFERENTIAL AGAINST AMERICAN SHIPS.

It was further demonstrated at the hearings that the extremely low price at which Government-owned tonnage can be secured will effectually prevent an American buyer and owner of such tonnage from any handicap through capital cost of his ships.



## SEAMEN'S ACT.

Relative to the La Follette or so-called seamen's act, Chairman Lasker testified (p. 43):

Mr. BANKHEAD. I understand from the President's address to Congress, and also from the statement that you have made, that you do not undertake to recommend or urge any material change in the seamen's act that now exists?

Mr. LASKER. You are right. I want to take occasion to say here that I think the seamen's act has been one of the most misrepresented acts of which I have ever heard. I came down to Washington believing, as most people in my part of the country do, if you repeal the seamen's act you would have a merchant marine. That is pure bunk.

Mr. BANKHEAD. That is the reason I asked the question, because for a long time those who were undertaking to give reasons why we could not operate successfully with our foreign competitors based their assertions exclusively on the discrimination caused by the seamen's act.

Mr. LASKER. I think they have gotten worn out on those representations.

Mr. BANKHEAD. I am glad to hear that.

## SUBSISTENCE AND WAGES.

The evidence at the hearings established that there was no real differential or handicap against American ships in the matter of wages and subsistence except as relates to licensed officers. This differential would probably not be as much as 1 per cent of the total operating cost and was more than compensated for by the advantages which the American ship enjoys over those of foreign nations through the use of oil rather than coal as a fuel.

Mr. FURUSETH. Manned as they are at present, the amount of money paid to the seamen, exclusive of officers, will be less on board of the American vessel of the same tonnage than on the British vessel of the same tonnage. The British vessel will, so far as the crew is concerned, exclusive of the licensed officers, have to pay more than the American vessel, manned as she is now. (Hearings, page 1362.)

Mr. BANKHEAD. So that, Mr. Furuseth, it is your conclusion that, properly administered, there is no substantial difference, but, in fact, a substantial equality between the subsistence upon British and American vessels—the cost of subsistence?

Mr. FURUSETH. There is no difference there except in the quantities. Sometimes one item is a little more in the American, and sometimes one item is a little more in the English, and so on; but there is no substantial difference; and as to a difference in cost I characterized it in my statement as being microscopic. (Hearings, page 1363.)

## AMERICAN ADVANTAGE WITH OIL OVER COAL BURNERS.

According to the testimony, about 75 per cent of the American fleet is oil burning, as against about 15 per cent of the British fleet, as indicated by the following examination:

Mr. BRIGGS. For instance, I recollect very well that previously one of the previous directors of operations of your board, I think Mr. Rosseter, seemed to attach a great deal of importance to the fact that we had fuel oil in this country in such large quantities—that is, it was possible to be obtained at least on this side of the water, more than all other nations—that it would be a great advantage to us to practically convert all of our ships or most of our ships into oil-burning ships; and, in that connection, I wanted to know to what extent, if at all, the oil burners we were operating exceeded those or were less than other ships that had been converted into oil burners. In other words, whether we have more oil-burning ships in operation to-day than other nations or have less.

Mr. LASKER. We have many more.

Mr. BRIGGS. About how many more?

Mr. MERRILL. About 75 per cent of our American fleet is oil burning.

Mr. BRIGGS. What percentage of the British fleet?

Mr. MERRILL. It is quite perceptibly under that.

Mr. BRIGGS. Isn't the British fleet as much as 50 per cent?

Mr. MERRILL. I should doubt it.

Mr. BRIGGS. They use mostly coal in that fleet, do they not?

Mr. LASKER. Surely; because they produce coal.

Mr. BRIGGS. Possibly it will not exceed 25 per cent?

Mr. MERRILL. I do not know; we have no figures on that.

Mr. FURUSETH. I think it is about 15 per cent.

Mr. BRIGGS. Not more than 12 to 15 per cent?

Mr. FURUSETH. Not more than 15 per cent, at any rate.

The higher efficiency of oil burners over coal burners was testified to by Mr. Thomas H. Rosseter:

(Page 370, part 6, hearings.)

Mr. BRIGGS. What has been your experience in the operation of oil and coal on the ships you have operated? You have operated both types, have you not, in cargo steamers?

Mr. ROSSETER. Yes, sir.

Mr. BRIGGS. Has there been any resultant saving by operating with oil over coal?

Mr. ROSSETER. The principal saving that I have noticed is the less number of crew, the best type of crew that you can secure in the fire-room, and the less deterioration that takes place in the boilers.

Mr. BRIGGS. Well, what do you estimate that advantage is?

Mr. ROSSETER. That depends a great deal on the cost of coal and the cost of oil. If the cost of oil per ton is approximately the cost of coal per ton, I should estimate that there would be a saving by using oil as against coal of easily 15 per cent.

Mr. J. H. Rosseter testified as follows:

(Pages 640-642, part 12, hearings.)

Mr. BRIGGS. Now, the other day when I asked you something about the testimony of Mr. Rosseter on the oil question, you stated that it was not clear to you just what Mr. Rosseter meant by some of his expressions in there.

Mr. MERRILL. Yes, sir.

Mr. BRIGGS. He gave other testimony which I have copied here, an extract from hearings on foreign trade zones on H. R. 9778, before the Ways and Means Committee in October, 1919. He makes this statement, in part—it is not necessary to read it all. Referring to the British advantages and disadvantages, he says:

"Now, one of the disadvantages they suffer, and one of the great advantages we have, is the fact that their merchant marine was constructed to use coal as the agency of propulsion, whereas our fleet is largely composed of so-called oil burners. All British bunker stations in the trades of the world are designed to handle coal. Practically the entire British merchant marine, both as to regular and irregular lines, rests entirely on coal.

"The value of oil propulsion we have discovered to be of dominating advantage as compared to coal. In my experience this was made plain as far back as 1900. Generally speaking, the operation of sister ships, one with oil and the other with coal, will show an advantage in the case of the oil burner amounting in dollars and cents to more than the total pay roll for officers and men, not the difference between American and foreign scale, but offsetting the entire pay roll of the ship.

"Mr. YOUNG. When did you say you reached that conclusion?

"Mr. ROSSETER. Beginning with experiments as far back as 1900, in my own operation. Our first experiments were not so successful. We were the pioneers; but beginning from that time and going up to the beginning of the war our yearly operating returns showed the benefits or advantages I have stated, and more.

"Mr. TREADWAY. About what would that represent in percentage of expense?

"Mr. ROSSETER. It is very difficult to give you an intelligent answer on a point like that, and I will have to explain why.

"Mr. TREADWAY. You said it represented the pay roll of your vessel?

"Mr. ROSSETER. Yes, sir.

"Mr. TREADWAY. That is not very clear to me, at least, what that might be actually.

"Mr. ROSSETER. In those days the pay rolls of large steamships ran about \$2,750 to \$3,200 a month.

"Mr. TREADWAY. \$3,200 a month?

"Mr. ROSSETER. Yes.

"Mr. TREADWAY. So that would be in the neighborhood of \$37,000 or \$38,000 a year?

"Mr. ROSSETER. Yes, sir; and that was the saving between oil and coal. The contract was based on comparatively cheap oil, as also cheap coal. Coal prices, as you may know, in Great Britain and in all places except the United States Atlantic ports, have quadrupled during the past three years. Coal at ports in Great Britain now cost 80s., and it is expected to go to 100s., or in our currency from, say, \$20 to \$25, whereas pre-war cost was about \$7 and \$7.50. High cost of coal at home ports means proportionately higher costs at foreign stations along British trade routes. The colliers must charge higher freight to offset this increased cost of bunkers, as also for the delay in loading and heavier expense of handling the coal. These conditions go to make bunker costs a very serious charge for the pre-war type of British ship to face. As newcomers, we have the disadvantage of paying more for our ships, but we have the advantage, which has not been overlooked, of making them adaptable for oil propulsion, and having established throughout the world oil-bunkering stations, which makes us independent of a situation such as we have faced under the British licensing preferential system.

"Mr. TILSON. Would it not be possible for England to build her new ships the same way, so that her new ships could burn oil?

"Mr. ROSSETER. Yes, sir; and she is doing that.

"Mr. TILSON. But these new ones cost her as much to produce as they cost us?

"Mr. ROSSETER. Right. And she has no arrangement for oil-bunkering stations along her trade routes, and she has yet to begin where we began a year ago.

"Mr. TILSON. Therefore, so far as her new ships are concerned, we shall be practically on a parity, in your judgment, in the capital cost of a ship and in the cost of operating. Now, what about the difference in wages of the men who man these oil-burning ships run by England and those run by this country?

"Mr. ROSSETER. On the oil burner we do away immediately with what is known as the black squad. We have in the engine room what might correctly be designated as junior engineers. They are called water tenders and oilers, etc., but they are a class of men who are in course of apprenticeship for engineers, and the black squad is gone. There is no more shoveling of coal. In the burning of oil, it is like the turning of the wick in a lamp, and the black squad is dispensed with, and thus the engine-room force on cargo ships is reduced by from 8 to 14 men, while on passenger liners the crew is reduced from 50 to 250 men, according to size of the ships."

The testimony at the hearings conclusively demonstrated that a great advantage is enjoyed by oil-burning ships over ships which burn coal.

Mr. Munson, of the Munson Lines, and representing the committee of the American Steamship Owners' Association, testified as follows:

(Pages 1159-1161, part 2, hearings.)

Mr. BRIGGS. Now, in the operation of these bareboat vessels I want to ask you which are the ones you make a profit on?

Mr. MUNSON. The larger type.

Mr. BRIGGS. Ranging from where?

Mr. MUNSON. Well, as I have said, bareboat charters run from 5,000 to 6,000 tons. Those are the only ones.

Mr. BRIGGS. In what service?

Mr. MUNSON. Running between the United States, Cuba, and Mexico ports.

Mr. BRIGGS. In fact, that trade in the Caribbean is rather a valuable trade generally, is it not?

Mr. MUNSON. It has been for years.

Mr. BRIGGS. And in normal times one of the very best fields for trade, is it not?

Mr. MUNSON. I would not say so, no; I think that in normal times there are a number of other trades very much better.

Mr. BRIGGS. But it is a good trade?

Mr. MUNSON. It has been for a long time a very fair trade. There is a great deal of competition in it to-day of foreign-flag ships, foreign owners, trying to get into it very actively.

Mr. BRIGGS. In the ships that you are operating, what percentage of them are oil burners and what percentage are coal burners?

Mr. MUNSON. Of our own fleet 15 out of 20 ships are oil burners.

Mr. BRIGGS. Why do you have so many oil burners?

Mr. MUNSON. Because when we started in constructing the more modern ships in 1915, seven years ago, my judgment was that that was a great economy, and that it was a great thing for the consideration of American labor. The first ship that we turned out as an oil burner I went into the engine room on her trials myself and saw the differ-



ence in working conditions and made up my mind that it was going to be one of the greatest factors to get and keep good men in the crew.

Mr. BRIGGS. What difference was that that you observed?  
Mr. MUNSON. Well, the engine room, the fire room, was painted white and the men were in white suits in that ship, and they continued to be in white suits and not dirty suits throughout the voyage, and the working conditions were that the men were strolling around changing these oil burners every 20 minutes or half an hour, and they did not have that great physical strain of being before an open fire and drawing the fire and putting in new fuel, which is the case with the coal burner.

So that change was adopted as the standard for all the ships we built from that time on.

Mr. BRIGGS. You operate considerably fewer men in the fire room, too, do you not?

Mr. MUNSON. About one-third less.  
Mr. BRIGGS. What number is that? What is that in numbers?  
Mr. MUNSON. Well, you take a freighter, it means six men.  
Mr. BRIGGS. What does it mean—it means a very much higher number on passenger ships?

Mr. MUNSON. Very much greater.  
Mr. BRIGGS. I think Mr. Rosseter testified that on some of them it went up as high as 250.

Mr. MUNSON. The large trans-Atlantic types, 200 to 250 men.  
Mr. BRIGGS. Do you get very much more power out of a ton of oil than you do out of a ton of coal?

Mr. MUNSON. The efficiency is very much greater.  
Mr. BRIGGS. What percentage do you estimate that at?

Mr. MUNSON. We figure that the speed on an oil-driven vessel is about 5 to 8 per cent better than it is on a coal-fired vessel. We converted two ships that we built under the American flag, coal burners, to oil burners, so we have an actual comparison.

Mr. BRIGGS. You have an actual comparison of the efficiency?  
Mr. MUNSON. It was 5 to 8 per cent increase.

Mr. BRIGGS. Do you have as much repairs on your boilers with the oil burner as you do with the coal?

Mr. MUNSON. No; we don't have as much repairs with oil.  
Mr. BRIGGS. That is a valuable saving, is it not, on the repair item?

Mr. MUNSON. Yes, sir.  
Mr. BRIGGS. It amounts to a substantial sum?

Mr. MUNSON. The reason for that is, and one of the reasons for our adopting oil burning as a standard for our fleet, was that when you get a steady pressure under the boilers instead of a varying pressure dropping 20 or 30 pounds, as you do when you draw fires, you save the life of the boilers—increased the life of the boilers.

Mr. BRIGGS. How much?

Mr. MUNSON. Well, we haven't had them long enough to say yet, but we figure it will mean probably 10 or 15 per cent longer life.

Mr. BRIGGS. How do you find the fuel costs, relative costs of the two, coal and oil?

Mr. MUNSON. It varies very much. There are times when it would have paid to have gone back to coal, with the high price of oil. To-day it is about an even proposition. If the price of oil goes higher, the use of coal will be cheaper. It is running about level now. Whether you buy from the Atlantic ports or whether you buy from the Gulf, the variation is about the same. Of course, it is less in the Gulf than it is in the Atlantic.

Mr. BRIGGS. That is figured on the basis of oil delivered on board ship as well as coal delivered on board ship?

Mr. MUNSON. Yes, sir.  
Mr. BRIGGS. That includes all those costs?

Mr. MUNSON. Yes, sir.  
Mr. BRIGGS. Now, with reference to the uses of your cargo space, you save considerable cargo space by the use of oil rather than coal?

Mr. MUNSON. On long voyages, yes. Boats that are going on a long voyage have to take cargo space for bunkers when they use coal, and on the oil basis it is not so. We can, however, in the matter of dead weight very largely—and there you can figure on the dead-weight basis—that you actually get an increase of one-third of the bunker capacity of the boat more on the oil burner than you do on the coal burner, just because two-thirds as many tons of oil are consumed as coal.

Mr. BRIGGS. Now, what percentage of the dead-weight capacity of your ship is utilized usually in the carriage of trade, the cargoes they carry?

Mr. MUNSON. It depends altogether on the trade.  
Mr. BRIGGS. What do they range from? Just give some ranges.

Mr. MUNSON. In the Caribbean Sea trade when a boat is loaded with cargo we—

Mr. BRIGGS. (Interposing.) I am not speaking about dead-weight cargoes; I am speaking about the average cargoes.

Mr. MUNSON. The same thing. The answer will be the same. We run about 90 per cent cargo and 10 per cent for fuel storage.

Mr. BRIGGS. Is that the oil?  
Mr. MUNSON. That is with oil.

Mr. BRIGGS. How would they run with reference to coal?  
Mr. MUNSON. About one-third more; about 13 per cent for fuel, storage, etc.

Mr. BRIGGS. About 13 per cent more?

Mr. MUNSON. About 13 per cent total. About 87 per cent cargo.

Mr. BRIGGS. What are the other services that you run? What is the relation trans-Atlantic?

Mr. MUNSON. Well, take the South American trade, the percentage is on the cargo on the boat, about 75 per cent cargo and 25 per cent for fuel and storage.

Mr. BRIGGS. That is oil?  
Mr. MUNSON. Yes, sir.

Mr. BRIGGS. How about coal.  
Mr. MUNSON. With coal it will run about 32 or 33 per cent of the fuel in storage.

Mr. BRIGGS. Now, in your trans-Atlantic service, do you use any oil and coal on those boats?

Mr. MUNSON. Yes; the trans-Atlantic trade on oil runs about 20 per cent and on coal about 26 per cent.

Mr. BRIGGS. Do you carry in these services enough oil for a round trip?

Mr. MUNSON. Yes, sir.  
Mr. BRIGGS. You do that right along, do you?

Mr. MUNSON. Yes, sir.  
Mr. BRIGGS. You get your supply on this side and carry enough to supply you for the round trip?

Mr. MUNSON. Yes, sir.  
Mr. BRIGGS. Is that true of the South American trade as well as trans-Atlantic?

Mr. MUNSON. That is true on South America and trans-Atlantic. The only trade that that is not true on is between New York and Mexico ports, because they can pick up oil at the Mexico end, and from the Mexico end they take fuel for the round voyage.

Mr. HARDY. Do they take coal for the round voyage, too? Do you take coal for the round voyage, too, or do you coal at each end?

Mr. MUNSON. We coal for the round voyage, because fuel is cheaper here, unless the boat is going to England, and if she is going to England we usually take on fuel there to bring us home.

Mr. BRIGGS. To what extent do you figure the total superiority of oil over coal in the efficiency of the ship? To what extent?

Mr. MUNSON. Just that percentage that I have mentioned. If the price is the same on the oil as on the coal, taking into consideration the saving of the crew, then there is that difference in dead-weight carrying capacity gained by having oil as compared with coal.

Mr. BRIGGS. In the carrying of your cargoes, of course, space is frequently more valuable than dead weight?

Mr. MUNSON. It is on regular line service.

Mr. BRIGGS. That is what I referred to a minute ago by dead-weight cargo. It is frequently so on line service, that a cargo of certain commodities may be lighter and more valuable than others. That is true, is it not?

Mr. MUNSON. Yes, sir.

Mr. BRIGGS. In other words, the prices for freight, too, are determined to some extent, and a very large extent, by the value of the cargo?

Mr. MUNSON. Not the value alone, but the space they occupy also.

Mr. BRIGGS. And the space they occupy?

Mr. MUNSON. Yes, sir.

Mr. BRIGGS. And very frequently, therefore, if you have got cargo that does not weigh so much as coal, for instance—you take a cargo of cotton, it doesn't consume so much of the dead weight, but it takes up a whole lot more space.

Mr. MUNSON. Yes, sir; and on an oil-burning boat with cotton you have a great percentage of efficiency, or any commodity which is lighter than the dead weight the vessel can carry.

Mr. BRIGGS. And you would find it far more valuable to you than a coal burner under those circumstances?

Mr. MUNSON. Yes, sir.

Mr. BRIGGS. All those advantages, therefore, are rather substantial ones?

Mr. MUNSON. Yes.

Mr. H. H. Raymond, president of the American Steamship Owners' Association, testified as follows:

(Pages 663, 964, and 966, part 13, hearings.)

Mr. BRIGGS. Are you familiar with the Shipping Board fleet?

Mr. RAYMOND. In a general way.

Mr. BRIGGS. Some of your lines have operated some of their vessels, have they not?

Mr. RAYMOND. Yes, sir.

Mr. BRIGGS. Were those vessels oil burners or coal burners?

Mr. RAYMOND. We have operated both.

Mr. BRIGGS. Which have you found the most economical in actual use?

Mr. RAYMOND. The oil-burning vessels.

Mr. BRIGGS. To what extent?

Mr. RAYMOND. Well, it is hard for me to tell, in the per cents. They ought to have those figures, because they buy the fuel and they have their capital charges if they have any. All we have done is to operate them and give credit for freights.

Mr. BRIGGS. I thought you might have known whether it was about 10 per cent, 20 per cent, or 30 per cent.

Mr. RAYMOND. No; I do not.

Mr. BRIGGS. In what service have you operated those vessels?

Mr. RAYMOND. The West Indies service particularly, and some of them off-shore—overseas.

Mr. BRIGGS. What price did you pay for oil and what price for coal per ton?

Mr. RAYMOND. We took the oil under Shipping Board contract; they had their own contracts.

Mr. BRIGGS. You took it under those contracts?

Mr. RAYMOND. Yes.

Mr. BRIGGS. How about the coal; the same way?

Mr. RAYMOND. The same way.

Mr. BRIGGS. You operated those ships with fewer men in the crew, did you not?

Mr. RAYMOND. Yes; decidedly.

Mr. BRIGGS. About how many; six or seven?

Mr. RAYMOND. What I am asking you, is not that because you are engaged in the coastwise service? If the line was only engaged in the foreign service that would not be true?

Mr. RAYMOND. No; that would not be true.

Mr. BRIGGS. In other words, that exaction is not made with reference to other American lines which are operated in the foreign trade?

Mr. RAYMOND. No; that is right.

Mr. HARDY. Did I understand Mr. Raymond to say that some of their ships are operated both in the foreign and coastwise?

Mr. BRIGGS. That is in the Clyde Line.

Mr. RAYMOND. We may have a Santo Domingo ship arrive to-day and she may go out next week to Galveston.

Mr. BRIGGS. On the so-called Mallory Line?

Mr. RAYMOND. Yes.

Mr. BRIGGS. You say she is in the coastwise service, then, and, the other way, she is in the foreign service?

Mr. HARDY. I want to get that clear, because so many witnesses have left the impression on my mind that a ship either goes coastwise or foreign and never makes the two.

Mr. RAYMOND. I think, Judge, to understand that you should differentiate between the foreign and what we might term semiforeign. Of course, we are going foreign in going to Santo Domingo and the West Indies; but the ship that is suitable for that trade is not suitable for what is regarded as the trans-Atlantic and Pacific Ocean trade and the Far East. They are too small.

Mr. BRIGGS. I think most people have been concerned about that. I do not think there is any question about that. There is a substantial advantage in the use of oil over coal as a fuel, in your opinion, is there not?

Mr. RAYMOND. There is as long as you can get it at a price that is equivalent to the coal price.

As illustrative of how much the value of space in ships counts, attention is called to the difference in ocean freight



rates on cotton shipped in high-density bales and in standard bales.

The rates from the Gulf to United Kingdom ports recently announced are:

First-class rate high-density cotton, 45 cents.  
First-class rate standard bale cotton, 60 cents.

The weight of the standard and the high-density bales does not vary materially, but the latter are compressed into a very much smaller compass than the standard bale and therefore occupy much less space in the ship, thereby permitting more high-density bales to be stored in the vessel than would be possible if the cotton was contained in standard bales.

The testimony at the hearings reflected beyond dispute that the saving in cargo space through the use of oil as fuel, rather than coal, was very material. To the United Kingdom and most continental ports sufficient oil for the round-trip voyage can be carried in the double bottoms of the ships without resort to cargo space. Of course, this is not true with respect to coal, which requires about one-seventh of the space of the vessel, which could otherwise be utilized for cargo (p. 547, hearings).

On June 30, 1921, the report of the United States Shipping Board—fiscal year ended June 30, 1921, pages 113 to 115—reflected the following number of ships of types indicated:

Active program by types.

	Steel.	Wood.	Com- posite.	Con- crete.	Num- ber.	Total dead weight tons.
Cargo.....	1,429	304	18	4	1,755	10,777,434
Tanker.....	138	1		8	147	1,427,730
Refrigerator.....	19				19	161,400
Transport.....	22				22	179,775
Passenger and cargo.....	25				25	308,972
Barges.....	6	28			34	93,200
Tugs (ocean).....	46	13			59	(1)
Tugs (harbor).....	8	56			64	(1)
Finished hulls.....		115			115	447,700
Hulls converted to barges.....					56	206,000
Hulls converted to sailers.....					8	30,500
Barges converted to schooners.....		2			2	4,000
Harbor tugs.....		6			6	(1)
Total.....	1,693	589	18	12	2,312	13,636,711

<sup>1</sup> No tonnage given on tugs.

#### FUEL OIL AND TANK STEAMERS.

"Fuel oil has become a vital factor in the economical operation of ships, and in view of the shortage in coal, with attendant high prices, the steel tank steamer program assumed a position of primary importance, as the majority of the vessels constructed for the corporation are either 'oil' or 'oil or coal' burners. This program was rapidly nearing completion, as only six vessels remained to be delivered, and the last of these was estimated for delivery during the month of August, 1921.

"The following figures show the active steel tank steamer program by class of construction:

Active steel tank steamer program.

	Active program.		Delivered.		To be delivered.	
	Num- ber.	Dead- weight tons.	Num- ber.	Dead- weight tons.	Num- ber.	Dead- weight tons.
Requisitioned steel.....	53	519,030	53 <sup>1</sup>	519,030	.....	.....
Contract steel.....	85	844,000	79	783,600	6	60,400
	138	1,363,030	132	1,302,630	6	60,400

"Of the vessels delivered, 40 per cent of 5,079,720 dead-weight tons were oil burning, 29 per cent of 3,510,338 dead-weight tons coal burning, and the remaining 31 per cent of 3,888,453 dead-weight tons oil or coal burning. Of the vessels to be delivered, 81 per cent of 223,400 were to be equipped as oil or coal burners. No vessels burning coal only were under construction."

#### FUEL OIL.

In the fifth annual report of the United States Shipping Board, fiscal year ending June 30, 1921, the following statement occurs:

The establishment abroad of fuel stations operated to reduce the price of oil in Europe, and since these stations were established purchases of oil abroad by the board from private concerns since the middle of April have been negligible.

From the foregoing statement it appears that the obtaining of fuel oil by the Shipping Board in Europe at a reasonable price is no longer a matter of any difficulty.

#### CONSPICUOUS FEATURES OF H. R. 12817 (OLD NUMBER, H. R. 10644). TITLE I.

Section 1 amends section 5 of the present merchant marine act of 1920, which relates to terms and conditions of sale of Shipping Board vessels.

The proposed amendment seeks to strike out of the present law the following safeguards contained therein and adopted so that the fleet will not be absolutely sacrificed at forced sale:

The board in fixing or accepting the sale price of such vessels shall take into consideration the prevailing domestic and foreign market price of, the available supply of, and the demand for vessels, existing freight rates and prospects of their maintenance, the cost of constructing vessels of similar types under prevailing conditions, as well as the cost of the construction or purchase price of the vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell.

The nature of the proposed amendment is to give five members of the Shipping Board authority to sell the ships without advertisement and without competitive bids.

It further fixes the rate of interest on deferred payments at 4 per cent.

It makes no provision for payment annually of any portion of the principal of the purchase price, though it would seem wise to do so, even if the present law has no such provision, but does state that "payments of principal shall be so arranged that the amounts due or paid under the contract of sale as principal up to any moment of time shall be sufficient to cover depreciation of the vessel up to such moment."

What the amount of such depreciation is to be, however, is not stated. The board, moreover, is given authority to waive this requirement upon the giving of adequate security.

One of the most important features which the present amendment, however, discards is that portion of the present law which in the sale of the Government ships requires the board to take into consideration—

any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell.

The value of such a provision is clearly evident when it is remembered that the only bids for the fleet which the Shipping Board was able to obtain as late as last March were of such character as compelled Chairman Lasker to designate them as "facetious" and a "joke."

Of course, the restraining influence of the quoted provision, which is sought to be eliminated from the law, would be to cause the Shipping Board to reject bids which meant simply giving the fleet away. But if the safeguard referred to is removed from the law it may be reasonably and fairly concluded that Congress and the people intend that the fleet shall be sold, no matter at what sacrifice, and even if it is to be practically given away.

Section 2 of the bill adds a provision for a two years' continuance of trade routes by the Shipping Board, unless sooner sold to persons of the domestic communities primarily interested in such lines. This provision, as written and under the definition of the term "domestic communities primarily interested in such lines," shall be understood to mean "geographical divisions of the coast lines," will permit any steamship company or organization along any part of a coast line, such as the Gulf of Mexico, the South Atlantic or North Atlantic or the Pacific coast, to take over the fleets and trade routes now operating from the various ports, and would permit such steamship company or companies to abandon all except one port on each of those coasts, if it desired to do so.

Subdivision (b) of the same section does not prevent this, although it indicates and expresses a policy of hope that trade routes established will be preserved.

The Gulf coast organizations, as well as the Mississippi Valley Association and Merchant Marine Committee of the Central West, advocated a five-year continuance of such trade routes, with preference right of the ports from which operated to purchase such vessels, and intended the term "domestic communities" to be so understood. This definition, however, has been so expanded as to practically destroy any preference right during even the two-year period to the ports to acquire the trade routes now operating from them.

Section 3 proposes to amend section 11 of the merchant marine act of 1920 by broadening the sources from which the \$125,000,000 revolving construction loan fund is to be obtained. The old law indicated receipts from sales and operations, the new law, "all receipts of the board, except appropriations made by law and profits of the board from operation of vessels."

The old law is further amended by making the fund not only available for construction of vessels but for equipment both with respect to vessels to be constructed as well as those already built, such equipment relating to the most efficient and

most economical machinery and commercial appliances. The old law allowed no portion of the fund to be used for equipment.

Another proposed amendment is a limitation of 15 years upon such loans, but the interest rate is made 2 per cent. The old law fixed no limitation of the loan period, nor any interest rate; but this, of course, left the interest rate to be exacted at the usual current rates. No provision is made for repayment of any part of the principal before the end of the 15-year period.

The reduction which is thereby obtained in interest alone is of the greatest advantage, especially so when Mr. Munson, representing the committee of the American Steamship Owners' Association, testified that the rate for such purpose now was from 7 to 7½ per cent and under normal conditions from 5½ to 6 per cent.

The amount of loans for equipment purposes is allowed to be two-thirds of the cost of the equipment or two-thirds of the value of the vessel when thus reequipped. It is to be noted that the utmost difficulty in determining such value will not only be encountered, but this provision gives the Shipping Board the widest authority for advancing far more money even than the sale price of a vessel.

In other words, it was testified at the hearings by Chairman Lasker that some of the Shipping Board vessels were recently sold at \$8 a dead-weight ton for conversion purposes into Diesel-engine types.

Congressman Edmonds stated at the hearing that the cost of such conversion would be about \$65 a dead-weight ton. Mr. Merrill, director of research of the Shipping Board and a naval architect and engineer, also testified that the conversion costs would be extremely high and approximated the amount named by Mr. Edmonds.

There is nothing to indicate what the world market prices of such vessel or vessels after conversion or equipment would be, but if trade conditions do not materially improve soon it is easily appreciated that the Shipping Board can under this proposed law advance more money for the conversion or equipment of vessels already built than could be obtained for such vessels after the equipment was completed.

The provision for loans being two-thirds of the cost of the vessel for construction purposes is substantially the provision of the present law.

#### TITLE II—TAXATION.

##### SECTION 201.

This section is one involving amendment of section 23 of the present merchant marine act of 1920; but it also includes very much more, and amends the provisions of the revenue act of 1921 by adding new sections, beginning with section 265. Under the present law, as contained in section 23 of the merchant marine act of 1920, the only tax deduction allowed for the purpose of ascertaining net income is that income subject to the war-profits and excess-profits taxes.

As the war-profits and excess-profits taxes, however, were repealed by this Congress, all advantages which could have been gained under section 23 of the act of 1920 have already been enjoyed to the fullest degree.

It is now proposed by this new section to allow deductions in computing net income to an amount equivalent to the gross income in the foreign trade derived from the operation of vessels so engaged under the American flag, provided—

1. That the amount of income tax thereby allowed to be deducted shall—

(a) Be invested in building, in private shipyards in the United States, new vessels of a type and kind approved by the board; or

(b) Such amount be set aside by the taxpayer in a trust fund for investment in such building within a reasonable time, to be determined by the Shipping Board.

(c) The owner is required to furnish 50 per cent of the cost of the vessel in order to obtain the benefit of such tax deduction.

This last provision reduces the amount of the taxpayer's contribution for shipbuilding from two-thirds of cost of the vessel, as now provided by law.

Subdivision (e) of this section also provides allowance to a taxpayer, other than a corporation, shall not exceed the allowance to a taxpayer which is a corporation. It is also to be observed that this tax deduction is for a period which is retroactive to January 1, 1921, and continues for each of the eight taxable years following.

The purpose of making this provision retroactive is clearly no other than to enable shipowners who have already paid excess-profits taxes and war-profits taxes since January 1, 1921, to also obtain a refund of such excess-profits and war-profits taxes, if such return is invested in new ship construction.

##### SECTION 266.

This is the provision which amplifies the present law as contained in the second paragraph of section 23 of the act of 1920 and relates to exemption or deduction of the taxable gain derived from the sale, in taxable year 1921 and eight years thereafter launched—present law uses word "built"—of any vessel prior to January 1, 1914, which at the time of the enactment of the proposed measure was registered, enrolled, or licensed under the laws of the United States.

This section requires the entire proceeds of the sale to be invested by the taxpayer in the building in private shipyards in the United States of new vessels of a type and kind to be approved by the board to be registered under the laws of the United States (as now required by section 23), or to be put in a trust fund for investment for such owner within a reasonable time, to be determined by the board.

This section further amends the present law by granting tax exemption for any portion of such proceeds, less than the entire amount, which may be invested in new ship construction.

The section further amends the existing law by providing that "where a vessel is exchanged for property, or for money and property, the transactions shall for the purposes of this section be deemed to be a sale," and so forth. The full extent and meaning of this section is by no means clear. No testimony was given at the hearings with respect to it, because it was not incorporated in the original bill introduced. It is probable that this new addition to the law would enable many deductions to be obtained which ought not to be obtained and which would not represent any real investment in new ship construction or any improved types of converted ships.

##### SECTION 267.

This section deals with the investment trust fund and provides that the interest obtained upon such fund shall belong to such fund.

##### SECTION 268.

This is a section which has heretofore been referred to, and provides that a taxpayer who establishes a trust fund for investment may be allowed to furnish a bond with security "for an amount not less than the estimated income, war-profits and excess-profits taxes that would have been payable but for the deduction claimed under those sections (referring to secs. 265 and 266)." Clearly, it means nothing else, of course, than a refund of the excess and war profits as well as income taxes from January 1, 1921, provided they are used for ship-construction purposes or put in a trust fund for a similar purpose.

##### SECTION 269.

This section also deals with the investment of the trust fund and provides that any loan made by the board under the provisions of section 11 of the act of 1920 shall not be regarded as part of such fund created by the taxpayer.

##### SECTION 270.

This provides that sections 265 and 266 are retroactive to January 1, 1921.

##### SECTION 271.

Grants the benefits of sections 265 and 266 to the members of a partnership and the beneficiaries of an estate or trust.

##### SECTION 202.

This section amends the revenue act of 1921 by making appropriate changes in numbers of sections indicated in the proposed subsidy measure.

#### DEPRECIATION OF VESSELS.

##### SECTION 203.

This is a new section and a proposed new provision of law granting to American shipowners of vessels of 1,000 gross tons or more registered, enrolled, or licensed under the laws of the United States (does not indicate when, and therefore is available up to the time of the passage of this act), which vessels were acquired after August 1, 1914, and prior to January 1, 1921, a reasonable deduction for the taxable year 1922 and each of the four succeeding taxable years, for the exceptional decrease in value thereof since the date of acquisition. Such deduction to be determined under rules and regulations prescribed by the Shipping Board. No investment requirement is made and taxes returned may be used for any purpose.

This section, it is also stated, shall take effect as of January 1, 1922.

This is one of the most important provisions in the bill, and is unquestionably designed to enable the American shipowners to write down the capital cost or book values of all vessels acquired after August 1, 1914, up to January 1, 1921, for a period of five years, so that such owners may enjoy the benefit



of a tax deduction or exemption of a most unusual and valuable character, and which will enable such owners to write down the book values of vessels built at war costs or high costs after the war to prevailing world-market rates during the five-year period, with a range from \$225 a ton to \$25 a ton or less, without charging against such owners any portion of the enormous returns earned by them during such period from the fabulous freight rates paid.

At the hearings it was frankly admitted by the representatives of the steamship owners' association, such as Mr. Munson, Mr. Marvin, Mr. Raymond, and Mr. Thompson, that the profits during and for a year and a half, at least, after the war closed were enormous, and that it was the custom and practice of the shipowners to write down capital costs or book values of their ships in accordance with the extraordinary and unusual profits received, but that this had not been done because under the bookkeeping system and requirements of the income-tax bureau only the small amount of depreciation provided for could be written off. The result was, as testified, that the enormous net earnings were either declared in dividends or reinvested or carried to surplus.

It is now proposed, therefore, to grant a bounty to such shipowners of a most startling sum in order to write down the so-called capital cost of ships acquired by them since January 1, 1914, when the testimony reflects that many of such steamship companies earned during such period far more than the total cost of their investment. In fact, one concern earned more than 600 per cent upon its capital in one year, while another earned over 250 per cent in a similar period.

If capital costs are to be allowed to be written down by tax deductions which must be paid out of the Treasury, or by withholding money from the Treasury which would otherwise be received there, then surely those who have already enjoyed, through their enormous earnings, the benefit of already having entirely or in part written off the capital costs of their ships should not be granted any further gratuity or benefit for such purpose.

#### REDUCTION IN CAPITAL COSTS.

(Pages 1136-1137, part 20, hearings.)

Mr. BRIGGS. And you know the bill provides, of course—has provisions providing for the reduction in investment costs, do you not?

Mr. THOMPSON. Yes, sir. That is the book costs.

Mr. BRIGGS. Yes.

Mr. THOMPSON. Yes.

Mr. BRIGGS. Bringing them down to what might be called the world market prices, as testified to by one of the witnesses here.

Mr. THOMPSON. Yes.

Mr. BRIGGS. That would be a very substantial provision to your company, or any other company that fell under the provisions of this bill, would it not?

Mr. THOMPSON. If we earned money enough. I take it that is a relief in taxes; is not that the way it is going to work out?

Mr. BRIGGS. That is what I am talking about. Is not that a substantial relief?

Mr. THOMPSON. Yes. It is going to be of material benefit if we earn a lot of money; it means we will have to pay less taxes; but if we do not earn a lot of money it will not mean much.

Mr. BRIGGS. Money that does not go into the Treasury of the United States means real money to a company that has that privilege, does it not?

Mr. THOMPSON. If you have taxes to pay, yes; that is true. But some of them won't have any taxes to pay.

Mr. BRIGGS. That may be, too.

Mr. THOMPSON. Over a period of time, assuming reasonable prosperity, that will be of some advantage.

Mr. BRIGGS. And it is intended to be, by reducing those investment costs and bringing them down?

Mr. THOMPSON. Certainly; otherwise it would not be in the bill.

Mr. BRIGGS. Certainly. It is intended to bring down the capital costs.

Mr. THOMPSON. That is as I understand it.

Mr. BRIGGS. It will bring down your capital costs, which you have averaged so high here?

Mr. THOMPSON. Yes, sir.

Mr. BRIGGS. And it is a fact, of course, that the exemption from taxes in any form is like a return of the same taxes from the Treasury if you had already paid them in.

Mr. THOMPSON. That is true.

Upon the failure of American-owned steamship companies to write down book values in spite of large earnings, Mr. Thompson, of the Texas Steamship Co., representing all tanker and industrial company tonnage, testified as follows:

(Pages 1135-1136, part 20, hearings.)

Mr. BRIGGS. But you do not know what effect even the passage of the bill would have on the market for tonnage?

Mr. THOMPSON. On tanker tonnage?

Mr. BRIGGS. Yes; in view of your statement that the tanker tonnage market is already oversupplied.

Mr. THOMPSON. It is oversupplied.

Mr. BRIGGS. There is a great excess, of several million tons?

Mr. THOMPSON. Yes, sir.

Mr. BRIGGS. In your capital costs—you were referring to those a little while ago—you do not carry those capital costs for your ships at the high prices you named a moment ago, at \$175 to \$185 a dead-weight ton, do you?

Mr. THOMPSON. I said they would average up to \$185 a dead-weight ton of new tonnage.

Mr. BRIGGS. You are not carrying those high prices on your books?

Mr. THOMPSON. Yes, sir.

Mr. BRIGGS. You have not marked them down to the world market price, to what tanker tonnage can be obtained for now?

Mr. THOMPSON. No.

Mr. BRIGGS. You are carrying them at the old costs?

Mr. THOMPSON. Yes; allowing usual depreciation which is allowed by the Internal Revenue Department.

Mr. BRIGGS. Did they issue stock dividends—your company—in the last two or three or four years?

Mr. THOMPSON. We issued a stock dividend of 10 per cent. Just what year it was I do not recall.

Mr. BRIGGS. About when was it?

Mr. THOMPSON. In March, 1921.

Mr. BRIGGS. Is that the only one?

Mr. THOMPSON. Yes, sir.

Mr. BRIGGS. On what capitalization was that, Mr. Thompson?

Mr. THOMPSON. Well, at that time I rather think it was on a capitalization of \$130,000,000, but I would rather submit that to you if you want it.

Mr. BRIGGS. Oh, I have no objection. If you want to correct the figures and make them accurate, I have no objection at all.

Mr. THOMPSON. Yes; because I am not quite sure what the capitalization was.

Mr. BRIGGS. Did you have any dividends declared at that time other than stock dividends—during that period?

Mr. THOMPSON. Well, we have paid—within the last few years we have paid 12 per cent dividends.

Mr. BRIGGS. Annually?

Mr. THOMPSON. Yes; within the last few years.

Mr. BRIGGS. What do you mean; from what date on; take it from 1914, say?

Mr. THOMPSON. My recollection is that in 1914 we were probably on a 10 per cent basis but earning more than that, and we finally put ourselves on a 12 per cent basis. However, in 1921 we did not earn 12 per cent.

Mr. BRIGGS. Had you been carrying some to surplus during this period?

Mr. THOMPSON. We had.

Mr. BRIGGS. About what would that average with reference to your capitalization?

Mr. THOMPSON. Well, our surplus is now—I guess it is about 50 per cent of our capital.

Mr. BRIGGS. So that in order to make up some of this full 12 per cent you are resorting to some of your surplus for that purpose?

Mr. THOMPSON. Yes, sir.

Mr. BRIGGS. At the present time?

Mr. THOMPSON. Well, that is not quite accurate, because a part of our loss in 1921 was due to the depreciation in values in petroleum products from 1920. Petroleum products were high in 1920, and they gradually went down. In 1921 they had depreciated materially.

Mr. BRIGGS. How much, approximately?

Mr. THOMPSON. Oh, I think with us it was about ten million.

Mr. BRIGGS. About 10 per cent—8 or 10 per cent? Well, that is close enough; I do not care to have it any closer.

Mr. THOMPSON. Yes; something like that.

Mr. BRIGGS. Has it gone up since 1921?

Mr. THOMPSON. No.

Mr. BRIGGS. It has just kept about the same?

Mr. THOMPSON. About the same.

Mr. BRIGGS. None of this 12 per cent, then, of dividend paid was paid out of any of the surplus?

Mr. THOMPSON. No; our surplus remained about the same.

Mr. Frank C. Munson, of the Munson Steamship Co., who also represented the committee of the American Steamship Owners' Association, testified that his company, in spite of the enormously high operating profits made during the war and for some time thereafter—that high construction costs of vessels built during such period were not written down, although the custom is to do so whenever large profits are made. It appears the bookkeeping proposition in following income-tax regulations, however, resulted only in a comparatively small depreciation charge being made and the large profits which were not declared in dividends being carried to surplus. (Hearings, p. 1153.)

(Extract from testimony on page 1153, hearings.)

Mr. BRIGGS. Certainly; he can put in both. This calls to mind another proposition I want to ask about. In the capital cost, which refers to investment cost largely, practically, how are your vessels carried—the one you own? Has the book value been written down to world-market prices or not?

Mr. MUNSON. No.

Mr. BRIGGS. Are you still carrying them at the book values?

Mr. MUNSON. You see, the Treasury Department provides we can only depreciate them 5 per cent per annum, and in calculating our income tax we have only been able to depreciate them that amount.

Mr. BRIGGS. That is under the allowance by the income-tax bureau—the Government?

Mr. MUNSON. Yes.

Mr. BRIGGS. I mean, so far as the years are concerned. Suppose you had an unusually good year—say the years of the war, 1918, 1919, the early part of 1920, when rates were, as has been testified by everybody here, enormously high—

Mr. MUNSON. Yes.

Mr. BRIGGS. That is perfectly true?

Mr. MUNSON. Yes.

Mr. BRIGGS. The amounts that were earned at that time would usually and ordinarily come out of the net earnings and go toward the writing off of a large part of the capital costs, or, perhaps, all of them, if they were sufficient?

Mr. MUNSON. If we had no restriction from the Treasury Department we would have written off a larger amount, but we did not write off a larger amount because of that restriction. We couldn't carry a different value on our books.

Mr. BRIGGS. I understand. That involves a great deal of bookkeeping. If you couldn't write it off you had to do something with the money, and it either went into surplus or something else.

Mr. MUNSON. It went into surplus.

Mr. BRIGGS. So the representation is here, though the books may have it in a certain form. The process that would have been employed, except for the accounting system, would have been to have applied those surplus earnings in the reduction of the capital cost?

Mr. MUNSON. Yes.

Mr. BRIGGS. One gentleman testified here that one ship practically paid for itself in a year—I think it was \$75,000—and they just wrote off the whole capital cost in one year.

Mr. MUNSON. Yes.

Mr. BRIGGS. That is the practice, isn't it?

Mr. MUNSON. That is the practice in normal times, when we do not have the income tax we have now.

On custom of writing down capital cost out of large earnings, Mr. Love, vice president of the Emergency Fleet Corporation, testified that it was customary, such testimony being as follows:

(Pages 850 and 851, part 16, hearings.)

Mr. BRIGGS. How does the foreign line compare with that? Is that the same thing with reference to a foreign line and an American line privately owned?

Mr. LOVE. Some of them write off more than 5 per cent depreciation.

Mr. BRIGGS. The amount of depreciation varies?

Mr. LOVE. It does, sir.

Mr. BRIGGS. To what extent; just give the levels?

Mr. LOVE. Possibly from 15 per cent down to nothing, according to the year.

Mr. BRIGGS. Just what do you mean by that?

Mr. LOVE. If they have had a good year, they will write off a larger amount of depreciation; if they have had a poor year, they won't write off so much.

Mr. BRIGGS. In other words, if the profits are big they write off depreciation not only for the one year but sufficient to cover the extent of the surplus profits they have made?

Mr. LOVE. It might be.

Mr. BRIGGS. In other words, if they have made 100 per cent net they might be able to write off the whole capital cost in the one year?

Mr. LOVE. It might be; it is possible.

Mr. BRIGGS. Is that customary?

Mr. LOVE. Not to that extent.

Mr. BRIGGS. Is it customary when you make big earnings to write off the capital costs—to write them down in a very large measure?

Mr. LOVE. Yes, sir.

Mr. BRIGGS. That is customary in all well-established shipping lines?

Mr. LOVE. Yes; I have seen companies that had a ship that cost \$75,000 write off the ship, write it right off to the dollar.

Mr. BRIGGS. Out of the profits they had made?

Mr. LOVE. Yes; the first year, to write it right straight off.

Mr. BRIGGS. I say that is customary whether it is an American privately owned line or a foreign-owned line, is it?

Mr. LOVE. Yes, sir.

Mr. Rossbottom, of the Panama Railroad Co. steamship line, now temporarily with the Shipping Board, also testified to the same effect:

(Page 380, part 6, hearings.)

Mr. BRIGGS. I want to ask you a question as to depreciation, too, as an element of cost. Do you carry on the books the actual value of the ships, or the cost value of the ships, in figuring depreciation? In other words, take the Shipping Board fleet to-day, ships costing \$200 a ton to construct, and which it is stated now would probably have a market value of \$30 a ton dead weight; on which basis would they be carried?

Mr. ROSSBOTTOM. I do not know.

Mr. BRIGGS. On which basis would they be carried on the books?

Mr. ROSSBOTTOM. I do not know just how the Shipping Board does carry depreciation.

Mr. BRIGGS. But, as a ship operator, how would you carry it?

Mr. ROSSBOTTOM. As a ship operator, if I had bought a ship for \$150 a ton and had a capital expenditure of a certain amount, and I found out I had bought the ship at too high a price, I would reduce the capital expenditure; I would charge off to profit and loss a certain amount of the capital cost and then base the depreciation on the actual value of the ship.

Mr. BRIGGS. In other words, you would carry the ship along at actual value, constantly, whether it rises or falls?

Mr. ROSSBOTTOM. Yes.

Mr. BRIGGS. Is that it?

Mr. ROSSBOTTOM. Yes.

Mr. BRIGGS. In figuring off depreciation on capital investment?

Mr. ROSSBOTTOM. That is right.

Mr. Merrill, for the Shipping Board, also testified on the subject of custom of writing down capital costs of ships out of excess profits, as follows:

(Pages 514 and 515, part 9, hearings.)

Mr. BRIGGS. Now, Mr. Merrill, did not the ships during the period of these high rates to which you referred a while ago earn enormous returns in freights directly after the armistice and on up till January, we will say, 1920?

Mr. MERRILL. I think they did; yes, sir.

Mr. BRIGGS. Is not your familiarity with the subject such that you are able to state they did? If you don't know, of course, just say so.

Mr. MERRILL. I don't know, absolutely, sir, because—the reason I qualify the statement is that I can testify clearly and fully that the freight rates were very, very high.

Mr. BRIGGS. Extremely high.

Mr. MERRILL. Extremely high, but at the same time costs were very high, too.

Mr. BRIGGS. Were not the net returns extremely high, too?

Mr. MERRILL. I am not in a position to testify that.

Mr. BRIGGS. Didn't some ships earn as much as a quarter of a million dollars on a single voyage?

Mr. MERRILL. I should not be surprised if they did.

Mr. BRIGGS. And some even in excess of that sum, up to nearly \$500,000?

Mr. MERRILL. I know, of course, there were very large earnings made during the war, or even before we got into it.

Mr. BRIGGS. I am talking about after the war, when the war ended, or the armistice was signed.

Mr. MERRILL. I don't know so much about that.

Mr. BRIGGS. Wherever these large earnings were made at any time, do they tend to reduce the capital costs in any way—are they regarded as doing so—over and above the estimated return that the investment should reasonably pay? In other words, if a ship earns enough in one year to about halfway or fully pay for itself, is that estimated in the reduction of the capital costs on the books?

Mr. MERRILL. I assume that is a matter for the particular owners to decide.

Mr. BRIGGS. It could not be regarded necessarily as such a reduction?

Mr. MERRILL. They may and should write it off.

Mr. Marvin, after stating that Mr. Thompson would testify for "that entire group of shipowners" affected by old section 701 (f), relating to cash subsidy—private operators for their own benefit, like Standard Oil and Steel Trust—was asked, "Do you feel that with the resources of these great organizations that they will really need a subsidy to succeed and carry on the operations of their lines," and answered, "I know so far as their ships are concerned they do." (Page 1051, part 19, hearings.) Yet Mr. Thompson testified (page 1135, part 20, hearings):

Mr. BRIGGS. I mean the cost of operating the vessels, generally, just like the cost of operating the plants on shore, they are all carried as part of the cost of operating the company?

Mr. THOMPSON. That is true.

Mr. BRIGGS. And they are figured in as part of the ultimate costs in the disposition of your product, are they not?

Mr. THOMPSON. Well, yes.

#### SECTION 204.

This section adds a new section to the revenue act of 1921, and replaces section 301 of the original subsidy bill.

It grants a tax rebate of 5 per cent of the amount of freight money paid by the taxpayer for the transportation of cargo in the foreign trade which moves in a vessel under the United States flag.

It also provides that where a vessel is chartered by the owner of any part of the cargo from a person not affiliated with such owner the amount of freight money paid by the charterer shall be such amount as is determined by the Shipping Board.

It is also provided, subdivision (b), that "the credit provided in this section shall not be allowed with reference to transactions between persons who are affiliated." This is ostensibly to deny the benefit of this provision to large concerns having enormous subsidiaries or interlocking companies, such as the Standard Oil Co.; but the value of the provision just quoted is destroyed by the further provision that for the purposes of this section two or more corporations or associations shall be held to be affiliated if one corporation or association owns or controls more than 50 per cent of the outstanding stock or interest in the other.

Of course, it is generally known that many of the great combines and trusts are so welded together that frequently less than 50 per cent of the stock of a subsidiary company is held by the parent company, but the control over the subsidiary is just as complete and effective, through understandings of a mutually satisfactory character, as if the parent company owned all of the stock of the subsidiary. It is therefore believed that this provision will not in any way interfere with the Standard Oil Co. or any of its subsidiaries, the Steel Corporation, or others operating large fleets for their own benefit, enjoying the advantage of this tax rebate.

This provision is the one which is intended to replace section 301 of the original bill, and also section 34 of the present act of 1920.

The mere fact that an affiliated company may not own 50 per cent or more of the stock of another company does not in the least determine the question of actual domination or control or identity of interest.

Even the ownership of 30 or 40 per cent, or less, of the stock of another company may give the owning company control of the other corporation. That this is not a fanciful or extravagant assertion is borne out by the findings of the Federal Trade Commission in the recent investigation of the Wyoming petroleum industry, wherein the commission expressly states:

During the past year, 1920, the Standard Oil Co. (Indiana), which has had close business relations with the Midwest Refining Co. since its formation, purchased 205,053 shares, or about 33 per cent of the Midwest Refining Co.'s stock. This percentage is admitted by representatives of both of these companies to be sufficient to give the Standard Oil Co. (Indiana) practical control of the operation and policies of the Midwest Refining Co.

The Standard Oil Co. of Indiana is also shown by the Federal Trade Commission to be interested with the Sinclair interests, upon a 50-50 stock ownership basis, in the organization of the Sinclair Pipe Line Co. and the Sinclair Crude Oil Producing Co. in Wyoming, and through other subsidiaries of the Standard Oil Co. dominates the petroleum industry now in that State.

I am also advised that the largest stockholding which the Gould interests held in any one railroad at the time the late



Jay Gould was operating was in the Missouri Pacific, and that he actually controlled no more than 23 per cent. In other roads which he controlled as fully as though he owned 100 per cent the actual ownership was much less.

The chairman of the Federal Trade Commission, Hon. Nelson B. Gaskill, informs me that—

in effect it seems to be the fact that control seems to be dependent not so much upon the amount of stock the active minority holder may own as upon the diversification of holding and inert qualities of holders of the majority interest.

One thing is certain, and that is that no mathematical proportion can be assigned as necessary to constitute control.

The fact, therefore, that ownership of 33½ per cent of the stock of the Midwest Refining Co. admittedly gives to the Standard Oil Co. of Indiana practical control of the operation and policies of the Midwest Refining Co., and that even a smaller minority stock ownership has enabled other interests to control the policies and operation of other companies, demonstrates that under the definition in the bill of affiliated companies no serious difficulty will be encountered by such affiliated concerns in also reaping the benefits of the 5 per cent tax rebates allowed under section 204 of the bill.

#### SECTION 205.

This provision, innocent enough in appearance, amends the revenue act of 1921 and exempts all subsidy payments received by steamship companies under this bill from any income tax whatever and without any requirement as to how such fund shall be invested.

#### SECTION 206.

Is the one which provides for doubling tonnage duties and taxes.

#### SECTION 301.

Is the immigration section of the law.

Title 4 and sections 401 to 419, pages 20 to 46, inclusive, are the provisions relating to payment of cash subsidies, nature of contract for subsidy, provisions relating to crew, definitions, and so forth.

#### TITLE V.

#### SECTION 501.

This provides for the abolition of the Army, Navy, and Marine Corps transport service.

#### TITLE VI.

Contains provisions relating to rail and water transportation and for coordination of such relations.

#### SECTION 604.

This provides for the railroads engaging in overseas steamship business.

#### SECTION 607.

This is the proposed amendment to section 28 of the act of 1920.

#### TITLE VII.

Relates to transportation of Government officials on Shipping Board vessels when practicable.

#### CURRENT SHIPBUILDING.

The tremendous decline in ocean freight within the last two years has occasioned a corresponding decline in the amount of shipbuilding during such period.

During the war and immediately for some time after the armistice, shipbuilding increased by leaps and bounds, particularly in the United States, in order to overcome the submarine campaign against merchant ships which was being waged with disastrous effect.

The United States, with its vast resources, ingenuity, and energy, increased its steel tonnage from 1,837,000 gross tons, on June 30, 1914, to 12,314,000 gross tons, on June 30, 1921, or an increase in steel tonnage during such period of nearly 700 per cent, while the increase of the British fleet during such period was practically negligible. On June 30, 1914, its steel tonnage consisted of 18,887,700 gross tons; while on June 30, 1921, it was 19,288,000 gross tons, or an increase during such period of only 411,000 gross tons.

On June 30, 1914, the gross steel tonnage of the British Dominions amounted to 1,407,000 gross tons; while on June 30, 1921, it was 1,950,000 gross tons, or an increase of 443,000 tons.

On June 30, 1914, Germany had 5,098,000 gross tons of steel ships, which, through losses and surrender during and after the war, was reduced, on June 30, 1921, to 654,000 tons.

Japan, on June 30, 1914, had 1,642,000 tons, which was increased to 3,063,000 tons of steel tonnage on June 30, 1921, or less than 100 per cent increase.

The following table, taken from Commerce Reports for August 28, 1922, page 616, published by the Department of Commerce, gives the relative standing of the countries of the world

with respect to their merchant marines up to as late as June 30, 1922:

*Tonnage of steel steam and motor vessels, over 100 gross tons each.*

Countries.	June 30, 1914.	June 30, 1921.	June 30, 1922.
	<i>Gross tons.</i>	<i>Gross tons.</i>	<i>Gross tons.</i>
United Kingdom.....	18,877,000	19,288,000	19,053,000
British Dominions.....	1,407,000	1,950,000	2,201,000
United States.....	1,837,000	12,314,000	12,506,000
France.....	1,918,000	3,046,000	3,303,000
Germany.....	5,098,000	654,000	1,783,000
Holland.....	1,471,000	2,207,000	2,613,000
Italy.....	1,428,000	2,378,000	2,600,000
Japan.....	1,642,000	3,063,000	3,325,000
Norway.....	1,923,000	2,285,000	2,237,000
Other countries.....	6,913,000	6,973,000	7,181,000
Total.....	42,514,000	54,158,000	56,802,000

From the foregoing table it appears that the United States is not only possessed of the greatest ocean tonnage of all the nations, except Great Britain, but has now more than three and a half times as much tonnage as Japan, over seven times as much as Germany, and nearly four times as much as France.

In addition, the American fleet is the newest of all the other nations, as the great bulk of its vessels have been built during and since the World War. This in itself is of the very greatest advantage because the United States has thereby had the advantage of the most modern methods and improvements in shipbuilding.

The proposal of Chairman Lasker for solving the existing difficulties of the American merchant marine which has heretofore been referred to may again be repeated as the substitute for the subsidy legislation which is now being so strongly urged:

When the world shipping gets buoyant, the avarice of men will make them want to increase their fleet and will sell the ships, and that day is sure to come. And the Government has got to keep the ships going, and put confidence either in ourselves or some others, to keep them going as efficiently as can be under the circumstances until such time arrives.

Mr. DAVIS of Tennessee. I ask unanimous consent to extend my remarks in the Record.

Mr. HARDY of Texas. I make the same request.

The CHAIRMAN. Is there objection to these requests? [After a pause.] The Chair hears none.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. MANSFIELD] be permitted to extend his remarks in the Record?

The CHAIRMAN. Is there objection to the request? [After a pause.] The Chair hears none.

Mr. GREENE of Massachusetts. Mr. Chairman, I wish to ask that Mr. EDMONDS, who has been obliged to go home on account of sickness in his family, may extend his remarks in the Record.

The CHAIRMAN. Is there objection to the gentleman from Pennsylvania extending his remarks in the Record? [After a pause.] The Chair hears none.

Mr. GREENE of Massachusetts. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. GERNERD]. [Applause.]

Mr. GERNERD. Mr. Chairman and gentlemen of the committee, a number of years ago, in 1911, I had the pleasure of visiting the city of Genoa, Italy, on a summer's tour. One morning I walked down to take a view of their beautiful harbor and there I saw hundreds of ships anchored—German, English, Portuguese, Danish, and in fact ships from all parts of the world, all busily engaged in unloading their cargoes; but in that busy harbor with its great maritime business there was not a ship that floated the American flag. Little did I realize then that I should ever be called upon as a Member of Congress to help in preserving our merchant marine, for at that time we possessed none. I frankly tell you that I was sad and my pride was wounded when I stood there and realized that the leading Nation in the world even then was without representation in one of the greatest seaports of the world. That same thing happened when I got to Liverpool, Antwerp, and Trieste. I traveled thousands of miles on the seas that summer, and I had to travel all of that distance under a foreign flag. Now, my friends, the World War has brought about a changed condition—we needed ships; we had none. When we realize that more than a million of our boys had to be transported to the scenes of action in foreign vessels, it should occasion our pride to droop just a little and cause us to realize that we had failed to develop one of the greatest commercial opportunities in our history. We never even thought of the danger that confronted us. We paid Great Britain more than \$57,000,000 to

take our boys to the front to fight for the common cause. Here we are confronted with a merchant fleet of 7,500,000 tons, admittedly a good fleet. It may require some strengthening; yet there are many who are hesitating to sustain that fleet from decaying for fear that certain large commercial corporations might get a little subsidy out of this great undertaking. To my mind, these fancied allegations are of small circumstance and should be brushed aside in the honest consideration of a matter as important as this. I recall that just a few years ago we had no Rural Free Delivery Service, nor did we have a parcel-post system, yet the Postal Department, through acts of Congress, made both of these services possible. It was known at the time that it would cost tremendous sums of money to inaugurate this service; and yet who to-day, realizing the great benefits it has produced, would hesitate to appropriate enough money out of the funds of the United States Treasury to make up the deficit or even criticize the expenditure of so large a sum of money to maintain it? By reason of this service large commercial houses sprang up, whose businesses are exclusively founded on mail orders, and they have been tremendously successful, earning large profits, which have been made possible only through the Parcel Post and Rural Free Delivery Service, which service is being maintained by the Government. Yet no one would criticize anyone engaged in a business of this character, and yet these business enterprises were fostered and made prosperous by indirect governmental aid. Who is criticizing the nominal cost of carrying the magazines and newspapers of the country through the mails?

I wish to say that the newspapers and magazines have been making large profits, and yet they are getting postal rates that are most favorable to them. Upon what theory? Upon the theory that they are disseminating public information to the American people. These papers and magazines are owned privately or by corporations, and yet we know that the American people through their Government are paying for this special service, for none of them are paying the actual cost of distribution, and their success is also based upon governmental aid. Realizing these facts, are we going to hesitate now when we all agree that we need a merchant marine and when only a matter of twenty or thirty million dollars a year is involved? There was a time when we could do without a merchant marine in this country. There was a time when this country was able to consume all of her manufactured products. That day has passed. There was a time when the South, with her great production of cotton, a noncompetitive article in the world's market, brought the ships of the nations of the world to her ports because they had to have her cotton to feed their manufacturing. They are still coming for that cotton, and will continue to do so just as long as cotton remains a noncompetitive article. But we must not overlook the fact that Egypt and other countries are developing the cultivation of cotton, and there may come a time when those freight ships will turn their prows in other directions, and then the prosperity of the cotton growers of the South will be dependent upon the American manufacturer and his ability to sell the finished merchandise in the markets of the world. I fear that most of the hostility of my southern friends to this bill is predicated upon the theory of free trade.

There was a time when Europe needed the wheat of the United States, when our only competitor was southern Russia, and that is less than 25 years ago. In those days it was a question whether Odessa or Chicago, through Liverpool, sold Europe's supply of wheat. To-day Russia is not a competitor, but we have in her place Australia, the South American Republics, and Canada. They have become most active competitors, and it is reasonable to suppose that southern Russia will in a few years again become a real factor. During this last year 34 per cent of our production of wheat, and wheat converted into flour, was exported and came in direct competition with Canada, Australia, and the Argentine. That represented 279,406,776 bushels of wheat. Of that amount American vessels carried 27 per cent of the wheat shipments and foreign vessels carried 73 per cent. We must not lose sight of the fact that transportation rates and favored preference shipments are very important factors in the sale of a competitive article such as wheat. A very large proportion of our export tonnage passes through Canada to Montreal and Vancouver, which have become the two great embarkation centers for Europe and the Orient in the north of America, and since the great agricultural areas of the United States are adjacent to Canada we can not help but recognize what an advantage the Canadian possesses over that of the American shipper. Permit me to call to your attention what actually happened last year at the port of Montreal by quoting to you from an article that appeared in the Montreal Gazette of October, 1921:

PORT OF MONTREAL ACUTELY CONGESTED—BY UNPRECEDENTED GRAIN SHIPMENTS—UNITED STATES SWELLS TOTAL.

The extraordinary activity has been largely due to the shipment of grain from the United States through Canadian ports. American grain has constituted about 40 per cent of the total shipments from Montreal this season. At the beginning of the season it was all Canadian, and at the present time it is about 60 per cent American and 40 per cent Canadian; but the proportion of Canadian grain will be larger as soon as the western crop movement begins properly. In order to prevent Montreal being blocked with American grain to the detriment of Canadian shippers the railways will apply the permit system to American grain coming to Georgian Bay ports for transit to Montreal. In future no boat can come from American lake ports without a permit to unload. The congestion appears to be increasing rather than otherwise. About 2,100 cars were reported at Montreal waiting a chance to receive elevator handling to the ships, and about 2,000,000 bushels were being sent to Quebec, to which about a dozen tramp ships are bound for cargo.

Mr. RAKER. This is from Montreal to the Orient?

Mr. GERNERD. No; that is going to Europe, but I say shipments to the Orient go by way of Vancouver, and the same obstacles that are confronting American shippers at Montreal are confronting American shippers by way of Vancouver. My friends, when we realize that that is the situation, I can not understand why—

Mr. RAKER. Mr. Chairman, will the gentleman yield for a question?

Mr. GERNERD. Yes.

Mr. RAKER. Taking the gentleman's statement in regard to the large amount of tonnage that has gone to those ports, and I suppose some has gone to the American ports, is there a sufficient amount of ship tonnage to handle it to foreign ports, or has there been in the last year?

Mr. GERNERD. Yes. If they had gone by way of American seaports, and if the American ships could have been utilized.

Mr. RAKER. Was there any congestion at New York or Philadelphia or Baltimore in regard to the freight to be sent from there?

Mr. GERNERD. I am not prepared to give you an answer on that point. There was a time, not far distant, when we had American ships plying between the Orient and the Pacific Coast, but to-day we have none. Are we going to permit \$1,877,000,000 worth of wheat and other export articles to be shipped in foreign bottoms? That is what we exported last year. Are we going to close our eyes to this great commercial opportunity? Shall we continue to hazard our prosperity for lack of an effective merchant marine just because we fear that some one will get a little governmental aid, called a subsidy? We must rise above all prejudices and resolve that our merchant fleet must sail the great waterways of the world. Gentlemen, I wish to say that I am for a well-rounded development of our country, and while I come from one of the largest industrial centers of the country, at the same time I represent a large farming element. I recognize that 45,000,000 farmers and stock growers in this country have got to be prosperous and their business put on a safe and substantial basis. I am eager that it should be done, for two-thirds of the country can not be prosperous and the other third be weighted down by adversity. The one is going to draw the other down eventually. What we must do is to inaugurate such a policy as will bring prosperity to all of our people. I firmly believe that the passage of this great, constructive measure will prove fundamental in establishing such a policy. Just as we have developed our transcontinental lines in years gone by and brought California within less than a week's travel of New York City, and opened up that great and vast territory, so I want the ships of my country to bring the ports of the world nearer to my own country. If we are to be among the leaders of civilization and to insure our industrial supremacy, we must have ships that will ply the seas and appear in every foreign port of the world. We must give them a little touch of the American spirit, and in order to win the world's confidence and good will we must trade with them, for I contend that we can no longer remain inactive and do our part for the world's progress. Up to 1890 we were primarily an agricultural nation. Then by inventions and through the discovery of the Lake Superior ores and the great iron deposits in Alabama, there came about a great transition. An evolution in the steel industry, and, almost as if by magic, we became the world's real competitor in the manufacture of steel with Birmingham, England. This was due to the genius and the God-given natural products that we had in our own hills and valleys that we knew not of, and that were brought under the spell of American ingenuity and the spirit of aggression that caused us to outdistance Europe in that industry. From 1890 to 1912 we experienced a marvelous development. We came to be one of the leading industrial nations of the world.

I can recall that when I was a boy, in my district we had only a few small manufacturing industries. We knew nothing about silk mills. We had no hosiery or cotton mills. But to-



day we have more than 72,000 industrial workers employed in our mills. Those plants, during the war, more than doubled their capacity and production. It is contended that between 8 and 12 per cent, and some say 15 per cent, is the surplus production in our country. We must find an outlet in order to protect ourselves, or even to maintain normal production. My friends, I firmly believe that if the industries of our country are going to be run at normal capacity as they now stand, we can not consume more than 75 per cent of our production, either industrially or agriculturally. If that be true then it is absolutely imperative that we find world markets to dispose of that surplus production. I realize that we ought to consume as much of our agricultural products in our own country as we can, and I want to see Texas, Nevada, California, Idaho, and those other western States that are adapted to grazing and stock raising, continue to raise their cattle and their sheep and their wool, rather than have it imported from Australia or New Zealand or any other part of the world. I recognize that those very people need every extension of help that the American Nation can give them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GERNERD. May I have just a few minutes more?

Mr. GREENE of Massachusetts. I yield to the gentleman five minutes more.

Mr. RAKER. Right in that connection, will the gentleman yield for a question?

Mr. GERNERD. Yes.

Mr. RAKER. Our farmers and our stockmen are practically being bankrupted.

Mr. GERNERD. I realize that.

Mr. RAKER. They have their cattle and they can not get a price to live on.

Mr. GERNERD. I agree with you.

Mr. RAKER. And the sheepmen the same.

Mr. GERNERD. That is true.

Mr. RAKER. And tons of potatoes and carloads of apples and all the produce that the American people ought to have are rotting in the fields.

Mr. GERNERD. That is true.

Mr. RAKER. And the eastern people can not get this produce. What is the matter?

Mr. GERNERD. Do you recognize that that agriculture depression is world-wide; that it is not only true of the United States, but of the whole world? The potato growers in my district are but 62 miles from Philadelphia, a natural market for the sale of potatoes, and my farmers are obliged to sell those potatoes at 50 cents a bushel, and they can not begin to grow those potatoes for less than 70 cents a bushel. That is the situation. That condition is not alone true in the West, it is true in the East. They are getting 85 cents a bushel for wheat and 55 cents a bushel for corn. No farmer can grow wheat or corn or potatoes at any price like that. But when you read about conditions in Denmark, Holland, Ireland, and get the story of the Republics of South America and of Australia they will tell you the same thing.

Mr. RAKER. Will the gentleman yield for another question?

Mr. GERNERD. Yes.

Mr. RAKER. That being true, would it not be good business judgment and sense for the American people to just hold on to this merchant marine for another year or so, rather than to give it away and destroy it?

Mr. GERNERD. Who wants to destroy it? I want to preserve it, and I want to help strengthen it, so that when the shipping revival comes the United States will be right there to meet the competition of the world. [Applause.] I am not afraid of this bugaboo about this corporation or that private individual getting a subsidy. I want to say to you that I have faith in the integrity of the business men of America. [Applause.]

Mr. RAKER. That being so, ought we not to have business men enough who could handle the shipping activities, or the various functions now performed by the Shipping Board, that could make this merchant marine a success if conditions revive in the next six months or a year?

Mr. GERNERD. I believe we have the best business minds in the world; but as the President of the United States said in his address, there are laws on the statute books that make it impossible for that business ingenuity to utilize the business opportunities that we have from the standpoint of shipping. I am not criticizing the wisdom of those laws. It is a condition and a fact, and I have listened here for three days to arguments, and no one has said that he is willing to revoke those laws. They are willing to extend them—

Mr. RAKER. No one has yet pointed out wherein the law is deficient or wherein the law prohibits the Shipping Board from making this American fleet a success.

Mr. GERNERD. I grant you that.

Mr. RAKER. Now, that being the case, why should America practically give away this fleet until it has honestly tried to make a success of the ships that we have which have cost us \$3,000,000,000 or more?

Mr. GERNERD. Of course, there seems to be a cleavage in the minds of some men as to whether they want Government ownership and operation of this fleet or whether it is to be operated by private enterprise. Japan, England, France, and Germany all have merchant fleets which are operated by individual enterprise. Why does England find it necessary to pay subsidies even to her own great merchant fleet when she has been the leading maritime nation of the world for years? If she is obliged to do it, when she has really carried the commerce of the world, then why shall we, who are just novices in the game—for we are really starting out as pioneers—how can we expect to do better than England when she has reached the acme of the shipping business? To my mind Japan furnishes a splendid example of what a little nation can do. What is she doing? She is building up a merchant marine, and her Government is giving every aid and assistance that she can to the private operators of her merchant marine, and she guarantees to them a profit of 6 per cent—a profit, mind you, not an operating cost of 6 per cent. But all her ships have to be designed according to the plans of the naval board of the Japanese Navy, so that they can be converted, almost at an instant's notice, into transports for her troops.

I regard this as a wise policy. It is foresight. I think the United States, with her many interests and important possessions in the Pacific, with the Hawaiian Islands, as beautiful as they are and productive as they are going to be, and the Philippine Islands, our outposts of civilization, where for the first time in centuries modern ideas are being taught by American school-teachers, should carry her own commerce in her own ships and not have Japan do it for her. If we desire to be a Christianizing nation, if we wish to take our place alongside of England and the other Christian nations, I say to our people that the establishing and maintenance of our American merchant marine is a proposition that will bring more cheer and more real assurances to our many missionaries, who are engaged in the world's great work of spreading the gospel of peace, than any other thing that I know of. The establishment of a merchant marine is not all mercenary; it is not all dollars and cents. I believe the moral effect and influence on oriental civilization to have American boats go into Shanghai and other ports of China will be an inspiration to the young Chinaman of the future just as the Americans have been to the Japanese. It is less than a century ago that Japan was taken out of her long sleep, and in this short period of time has taken a foremost position among the leading nations of the world. Are we who in the early part of the eighteenth century had a merchant marine which was the equal of Great Britain and which took our cotton to Europe and helped to build up the great textile mills in Scotland now to lose the prestige on the seas which had been lost for years but now regained? Are we, on the threshold of this century, with the opportunity before us and the costly price we paid for our merchant marine, going to surrender our pride and our patriotism for fear that somebody is going to get a little benefit, a little governmental help called a subsidy? I am not afraid of the word "subsidy." It is not an evil word. If the word "subsidy" and the idea that it conveys to me is going to put our boats on the ocean highways, so that when I go to Italy and I shall be permitted to stand where I stood in 1911, in the harbor of Genoa, and can see our merchant ships flying the American flag in competition with the rest of the maritime world, I shall feel proud of the fact that by my vote I helped to keep our flag upon the seas and thereby assured our Nation's place in the onward march of civilization.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12817) to amend and supplement the merchant marine act of 1920, and for other purposes, and had come to no resolution thereon.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that November 24 they had presented to the President of the United States for his approval the following bills:

H. R. 367. An act for the relief of J. Irving Brooks; and

H. R. 10144. An act conveying the peninsula of Presque Isle, Erie, Pa., to the State of Pennsylvania, its original owner, for public park purposes.



## EXTENSION OF REMARKS.

Mr. FREAR. Mr. Chairman, the correspondence herewith presented discloses a clear failure to enforce existing income tax laws by the Secretary of the Treasury. It further presents an arrogant disregard of law by powerful business interests that should be squarely met in the interest of the general public. My letters to Mr. Mellon have laid stress on his failure or refusal to enforce section 220 of the 1921 revenue law, set forth in letter of October 23 and in the following correspondence, but the main purpose has been to present a specific illustration of the ruthless disregard of law by big business, the unconscionable profits extorted from the American people by great monopolies, now disclosed by unprecedented stock-dividend distributions in addition to previous cash dividends, and the preposterous farce that permits Treasury records and income-tax administration to remain secret, thereby encouraging fraud. When big business interests were crying most loudly against an excess-profits tax and unwilling to divide profits over the 8 per cent legal exemption, the record of enormous "melon cutting" shows that profits exacted from the public, then in times of peace, were without parallel.

Destructive criticism is valueless, and after presenting the picture of riotous profiteering and tax evasions painted by the interests themselves, I have offered tentative constructive proposals, which if enacted into law will prevent us from slipping into a destructive economic whirlpool, to be avoided in time by sane legislation and its official enforcement.

The letters are self-explanatory:

WASHINGTON, D. C., October 16, 1922.

HON. ANDREW W. MELLON,  
Secretary United States Treasury Department,  
Washington, D. C.

DEAR MR. SECRETARY: I have noted that the Standard Oil Co. of New Jersey has declared a 400 per cent stock dividend on its capital and that other subsidiary members of the Standard Oil Co. are declaring various stock dividends. In this morning's Post it is claimed that United States Steel will take the same course, with a surplus estimated at several hundred million dollars.

My attention has been called to section 220 of the revenue act of 1921, which provides methods for reaching holders of surplus stock when held for the purpose of escaping taxation. Can you please advise me whether or not this statute has been invoked by your department in the case of any corporations, and whether it has been considered in reaching the surplus earnings held by the Standard Oil Co.?

Thanking you for an early reply, I am,  
Very sincerely,

JAMES A. FREAR.

## A GREAT LOSS IN TAXES.

On receipt of Secretary Mellon's letter, hereafter inserted, excusing his failure to impose the penalty, I wrote immediately, urging him not to be misguided because the stock-dividend decision had no relation to section 220, and that if he failed to impose penalties the Treasury would lose possibly hundreds of millions of dollars in unenforced penalties and unreleased surtaxes.

Also, a reference was made to the stock-dividend 5-to-4 decision and a plea in the name of tens of millions of gasoline users that he impose a penalty on the extortioners as disclosed by the secret records of the Treasury under his control:

WASHINGTON, D. C., October 23, 1922.

HON. ANDREW MELLON,  
Secretary United States Treasury Department,  
Washington, D. C.

DEAR MR. SECRETARY: Your letter of October 20 received, in which you announce your ruling against the enforcement of section 220, which was passed by Congress to reach large surpluses accumulated by corporations in order to prevent the payment of individual surtaxes. Your letter ignores and misrepresents the plain reading and purport of the statute, and your ruling assumes the prerogatives of the Supreme Court when it sets aside this law. Section 220 is intended to reach a different situation than that involved in the Macomber decision, as I shall endeavor to show herein.

In your ruling you go far beyond any holding of the Supreme Court, and by your ruling overthrow the action of both Houses of Congress approved by the President and passed for the purpose of compelling large profits accumulated in the form of a surplus by big business to be taxed either through penalties enforced by you or by a cash distribution which would then be subject to the provision of the law affecting surtaxes.

I trust you are not under a misapprehension, Mr. Secretary, as to the question squarely presented to you because the press has been filled with announcements that the stock dividends to be issued by the Standard Oil Co. and the proposed stock dividend of \$500,000,000 in United States Steel, in which you are supposed to be interested, is for the purpose of avoiding the surtaxes that would apply if these enormous amounts, aggregating over \$1,000,000,000, were distributed as cash dividends.

As a great financier and public officer of large responsibilities you certainly understand that the Standard Oil surplus, reaching in the aggregate upward of a billion dollars according to reports, if permitted to be distributed as stock dividends without enforcement of law, will rob the Government Treasury, of which you are guardian, of many millions of dollars, depending upon the rate of surtax or of penalties which you are directed by law to impose.

## SECRETARY MELLON ALONE EMPOWERED TO ACT.

You are the only man authorized by law to prevent such result, because the commissioner of whom you speak is an officer who acts under your direction and according to your will; otherwise you would kick him out of his position, as you no doubt ought to do. I assume

you know, Mr. Secretary, that the Commissioner of Internal Revenue is under your department and under your orders, and that you have further had many discussions with him on matters of policy and of law.

The statute of 1917 to the same effect as section 220, section 3, provides: "The fact that any such corporation \* \* \* permits gains and profits to accumulate beyond the reasonable needs of the business shall be prima facie evidence of a fraudulent purpose of escaping such tax." This provision requires the Secretary of the Treasury to interpret the law as to the reasonableness of the surplus accumulated by the corporation, and a Commissioner of Internal Revenue acts under the Secretary of the Treasury, as he is required to do in all other matters, and his act is your act under the law.

I propose to set forth the enormous profits placed in surplus by the Standard Oil Co. for the purpose of escaping taxation. The facts and reports in your department were secret, so that the country could not understand the character or amount of profits until announcement was made that they were to be distributed as stock dividends.

Naturally, as a man of great wealth, interested in 60 or more corporations which may be affected by the ruling on stock dividends and taxation, you may find your personal interest involved in any decision, but I assume in your position as a public officer you will be governed by the law and by the interests of the public rather than by any personal consideration in the enforcement of the provisions of section 220 which I ask you to enforce and which reads as follows:

"That if any corporation, however created or organized, is formed or availed of for the purpose of preventing the imposition of the surtax upon its stockholders or members through the medium of preventing its gains or profits to accumulate instead of being divided or distributed, there shall be levied and collected for each taxable year upon the net income of such corporation a tax equal to 25 per cent. The amount thereof shall be in addition to the tax imposed by section 230."

In your letter to me you say the corporation has paid its full tax. This refers, I take it, to section 280, but the penalty of 25 per cent is imposed by Congress under section 220 in order to reach unwarranted surpluses that are held by the corporation and not distributed as cash dividends in order to evade payment under the individual surtax law. That is the distinction so clearly made by Congress that it can not fairly be misunderstood. It is another way of providing a tax on undistributed profits which is undoubtedly permitted under the law and the decision of the Supreme Court in the stock-dividend case.

## SECRETARY HUSTON'S DRASTIC RECOMMENDATION.

Your predecessor, Mr. Houston, Secretary of the Treasury, recently proposed to tax such undistributed profits and reach the same annual accumulation of surplus by corporations. He then estimated that for the year 1920 that tax would bring in \$190,000,000 additional revenue as a corporation tax, and that the effect on individual surtaxes, which is the point in question, would bring in additional revenues of \$500,000,000 for that one year, or a total tax of \$690,000,000, and this was his estimate for 1921. You will note that the revenue received from individual surtaxes which would be forced out by cash dividend distributions was estimated at more than double the amount received from this tax on the corporations, and that is the point involved in the enforcement of section 220, not to reach the tax on corporation but to reach the individual surtaxes which should be released by cash dividends not held as surplus, thereafter escaping taxation.

You have been opposed to the Houston tax proposal as a matter of principle on the theory, as I understand it, that the corporation ought not to be further taxed or its surplus distribution enforced. It was also on this theory, as I understand, that you lent your powerful influence last year to the repeal of the excess-profits tax on corporate profits of over 8 per cent, which at that time was bringing into the Treasury Department \$450,000,000 or more per year.

In other words, your efforts to protect the Government Treasury in the past have not been directed toward collecting a tax upon large and powerful corporations, and in the present emergency your action in overruling the express act of Congress will result in a loss to the Treasury of an amount reaching several hundred million dollars annually, depending upon the rates of surtax as estimated by Secretary Houston.

Your suggestion that it is a corporation "formed" for the purpose of evading the law is not in any way involved. Whenever a corporation has been "availed of" for this same purpose it becomes a case where Congress directs the penalty to be invoked.

## WHAT PROFITS ARE SUBJECT TO PENALTY?

In the case of the Standard Oil, United States Steel, and other companies, whose records are subject to your inspection—and yours alone, because they are secret—will you please give your views to the country, stating just what amount of extortionate profits and surplus you believe should properly be amassed before section 220 of the statute enacted by Congress applies, or do you hold that such statute is nugatory under the plea that the corporations have already been taxed?

I fear you are unwittingly aiding in a gigantic fraud upon the Government Treasury, which I do not believe you would countenance if familiar with the purpose of the statute.

Many thousands of farmers to-day in this country have relinquished their farms during the past year because they can not make ends meet, and their heavy debts compel such course. Hundreds of thousands of farms will be sold this year for taxes, for the same reason. Millions of farmers in the aggregate with a small average income and with only 60 per cent purchase power compared with pre-war prices are unable to make a net profit of 6 per cent on their farms. Yet they are confronted with the fact that oil used in running their tractors, their separators, and various other farm machinery, together with the steel purchased in various farm implements, has all returned an annual net profit running from 25 per cent to 100 per cent, according to the press, and that due to your proposed action this enormous surplus to be distributed in the form of stock dividends will escape a surtax which properly ought to be paid to the extent of hundreds of millions of dollars, thus enhancing the enormous profits of a few to the injury of the many, who have equal interests in our Government and are expected to have equal protection under its laws.

Let us here briefly set forth the surplus earnings of the Standard Oil, which is gathered from the press reports of which you have inside information through the secret documents in your possession and can easily verify such statements.

On October 11 of this year the press states that stocks of the Standard Oil subsidiaries have increased in value this year \$1,060,944,532. This increase is reported from 31 of the 33 companies of the Standard Oil. During the last three weeks it was also stated that oil stocks have soared through expectation of huge stock dividends in some of the leading companies.



"This expectation has been gratified in the companies of Standard Oil of New York, which declared a \$150,000,000 stock dividend, and 100 per cent dividend in the California company, with like dividends with other branches. The Standard Oil Co. of New Jersey showed an appreciation of \$253,000,000 over the year's low price for its stock, and apart from 20 per cent cash dividend this company has accumulated \$592,000,000, or nearly six times the amount of its common stock, which is to be distributed in a stock dividend." I have the published list of the 31 Standard Oil companies mentioned and if correct it bears out the truth of both statements.

#### OVERRULING AN ACT OF CONGRESS.

Can you, Mr. Secretary, overrule an express act of Congress when the following statement is offered you, quoted from the press of October 5?

"One of the biggest dividends in history was declared by the Standard Oil of California, which is reported to have the largest earnings of any oil company last year. One hundred per cent stock dividend will be paid the last day of the year at a par value of \$25. This stock sold on the New York Stock Exchange Monday at \$120, and the dividend amounts to \$115,000,000 value based on the New York sales."

The article further states that the oil disbursements this year are estimated to reach \$580,000,000. It is significant that the Standard Oil of California is the one on which the Supreme Court decision on stock dividends was originally based, and to which I will refer.

I will not discuss the question of extortionate and unconscionable profits, which amount will be apparent even to you, but I quote from the rulings of your department on section 220, appearing in the revenue act of 1918, wherein it is stated, article 352, that the application of 220 of the statute depends upon two elements.

(a). Purpose to escape surtaxes, (b) unreasonable accumulation of gains and profits. Prima facie evidence of (a) exists \* \* \* where a company permits its gains and profits to accumulate beyond the reasonable needs of the business.

Article 353 of the act of 1918 holds the accumulation of gains and profits as unreasonable if it is not required for the needs and purposes of the business, considering all circumstances of the case. \* \* \* The need of the investment of gains and profits is immaterial if they are not in fact needed in the business.

With this specific interpretation of the law by your own department for enforcement by your own regulations and rules, can you, in view of the facts regarding the enormous profits made by the Standard Oil which have been set aside as surplus for the purpose of escaping individual surtax, say that you will refuse to enforce the penalty provided by Congress?

#### NO COMPANIES WERE INTERROGATED.

Again I quote from the press, all of which articles are for your inspection and verification if desired, that "no corporation has yet submitted its case to the commissioner, so far as known (to ascertain its liability under section 220)." In the same article it states that other concerns reputed to have made large profits this year "are corporations in the nonunion coal, iron, steel, oil, lumber, and building-construction materials industry."

Again quoting, "Most conspicuous in this practice is the United States Steel Corporation, which is known to have enjoyed an extremely prosperous year thus far. The last annual financial statement of that corporation discloses an accumulated profit surplus of nearly \$500,000,000." It is the general impression, whether well founded or not, Mr. Secretary, that in many of these vast interests about to declare dividends you have financial interests that desire protection, and I urge upon you in your public capacity as an official to set at rest any criticisms that might arise, and that you declare, as you were expected by Congress to declare, that the penalties provided by law be imposed before these stock dividends are allowed to be distributed.

I now come to the Macomber decision of the Supreme Court to which you refer and with which I am familiar. It is found in the case of *Eisner v. Macomber* (252 U. S. Reports) and arose from a distribution of stock dividends in 1916 by the Standard Oil Co. of California, which then sought, as it now seeks, to escape taxation through a stock-dividend distribution.

In that case it was held by a majority of one member of the court, with Justices Brandeis, Clark, Holmes, and Day dissenting, that such dividends were not taxable. In that opinion Justice Pitney says, among other things, "reexamination of the question with the additional light thrown upon it of elaborate arguments," etc., influenced the decision. The first counsel named in the case, Mr. Charles E. Hughes, now Secretary of State, of national eminence and ability, made an argument which, however elaborate and enlightening, did not convince the four dissenting judges from whom I briefly quote because of its direct application to the situation before us.

Justice Holmes, dissenting, said: "The word 'incomes' in the sixteenth amendment (to the Constitution) should be read in the sense most obvious to the common understanding at the time of its adoption. \* \* \* The known purpose of this amendment was to get rid of nice questions as to what might be direct taxes, and I can not doubt that most people, not lawyers, would suppose when they voted for it that they put the question like the present at rest. I am of opinion that the amendment justifies the tax." "Justice Day concurs."

Justice Holmes states that "most people" when they voted for the amendment believed it applied to stock dividends, and also no doubt the four dissenting judges of the Supreme Court believed the same.

#### FOUR JUSTICES FILED VIGOROUS PROTESTS IN MACOMBER CASE.

The dissenting opinions of Justice Brandeis and Justice Clark in equally positive language state "If stock dividends representing profits are held exempt from taxation under the sixteenth amendment, the owners of the most successful businesses in America will be able to escape taxation on a large part of what is actually their income. So far as their profits are represented by stock received as dividends they will pay these taxes not upon their income but only upon the income of their income. That such a result was intended by the people of the United States when adopting the sixteenth amendment is inconceivable. Our sole duty is to ascertain their intent as therein expressed."

Mr. Secretary, the effect of your action in refusing to invoke section 220 is not only to prevent the clear imposition of the law enacted to reach the present situation in cutting enormous financial melons but for all time it confines a tax paid by such stockholders to their "income on their income," as quoted by Justice Brandeis. Again quoting from the dissenting opinion, "It is but a decent respect due

the wisdom, the integrity, and the patriotism of the legislative body by which any law is passed to presume in favor of its validity until its violation of the Constitution is proved beyond all reasonable doubt."

I call your attention to this last provision, approved by four justices of the Supreme Court, and point out that by your proposed action you will do what four justices of the Supreme Court hesitated to do in that case, ignore a decent respect due to the wisdom, the integrity, and patriotism of Congress. I can not believe from the decision to which attention has been called that the Supreme Court will hold as unconstitutional section 220, because it is based on an entirely different state of affairs from that set forth by the stock dividend decision.

Among the facts stated in the decision it was recited that the Standard Oil Co. of Indiana had increased its capital stock from \$1,000,000 to \$30,000,000 in a comparatively short period and paid a stock dividend of 2,900 per cent.

Again, the Standard Oil Co. of Nebraska had also increased its holdings and issued stock dividends, and the Standard Oil Co. of Kentucky within a period of four years had increased its capital stock from \$1,000,000 to \$6,000,000. I call your attention to the fact that the enormous surplus recently reported by the Standard Oil Co. of over \$1,000,000,000 has been based upon enormous capitalization caused by stock dividends heretofore issued by the same companies, and that unless some action is taken by the Government pursuant to the laws of the country that these great interests and others that to-day are controlling prices, profits, and press, and to a large extent legislation will indeed be supreme.

When that time arrives, and it would seem to be almost here, if such decisions as yours are to become substituted as the law of the land for those covered by Congress, we may well believe that the people of the country, in whose hands lies the decision, will lose confidence in their officers, their courts, and their form of government under which we live. I am only seeking in a modest way to point out to you the dangers of such decisions as you write me you propose to invoke setting aside section 220, a law passed by Congress for the purpose of meeting an exigency such as confronts the country to-day.

#### A COUNTRY HALF TAXED AND HALF FREE.

The language of ex-President Harrison was significant when he said, "Lincoln's startling declaration that this country could not continue to exist half slave and half free may be paraphrased to-day by saying that this country can not continue to exist half taxed and half tax free." When enormous aggregations of wealth escape taxation through the extortion of unconscionable profits, thereby creating enormous surpluses, which are to be issued as stock dividends for the purpose of escaping taxation, I submit that the situation presented by ex-President Harrison is one of deep concern to the country.

Publicity that will disclose such investments and such enormous profits and the efforts to evade taxation by those best able to pay will help curb the evil and will enable Congress by constitutional amendments affecting tax-free securities as such through legislation as may be desired, and also, if need be, to enact a law affecting undistributed profits in addition to the reenactment of excess profits law.

In addition to all this, of course, the country has a right to place in position high officials who will enforce the laws already on the statute books, and I trust, Mr. Secretary, that you will remain among this number, and that you will reconsider your ruling which may cause a loss of hundreds of millions of dollars taxation to the Treasury without any possibility of recovering the same.

In conclusion, I repeat what I recently stated when writing my first letter of inquiry, that the "administration of the law lies with Secretary Mellon, whose absolute honesty is not questioned in following the strict letter of the law; but Mr. Mellon is quoted by Klein to be worth \$300,000,000, which, if reasonably accurate, should yield an annual income of about \$15,000,000 or more annually, while his daily income of \$50,000 is several times his annual salary as Secretary of the Treasury. Whether Mr. Mellon avails himself of the same avenues of income tax escape as Mr. Rockefeller is only known to the Secretary of the Treasury, who has the records, and what is true of Mr. Rockefeller and Secretary Mellon is equally true of many of the 20,000 individual income-tax payers whose annual incomes are supposed to run from \$50,000 to \$200,000,000 each, if correct reports are to be had.

These records, I submit, in all fairness should be made public by law, and I trust you will cooperate in securing that result.

Very sincerely,

JAMES A. FREAR.

#### WHY EVADE THE ISSUE?

When Secretary Mellon was pressed to impose the tax penalty that for some unknown reason he refused to enforce, the Treasury press bureau that keeps up a constant chatter over what the Secretary intends to do sent word broadcast that the Treasury was about to urge the passage of a law preventing the issuance of tax-free securities. This looked singularly like a smoke screen, because a bird in the hand was found in section 220, reaching eventually possibly hundreds of millions of dollars' income to the Treasury, whereas over \$10,000,000,000 are invested in tax-free securities that can not be reached, and it will take many years to pass a constitutional amendment, with accompanying approval or required number of States, even if ever secured. This proposal was smothered last session. Where was the Treasury then? I urged its passage.

These matters were presented to Secretary Mellon in the following letter:

WASHINGTON, D. C., October 26, 1922.

HON. ANDREW W. MELLON,  
Secretary United States Treasury Department,  
Washington, D. C.

DEAR MR. SECRETARY: On October 23 I wrote you expressing a hope that you would reconsider your announced ruling which sets aside section 220 of the revenue law passed in 1921, to reach a fraudulent diversion of corporation profits to an amount estimated at several hundred million dollars in increased income-tax payments to the Federal Treasury. You, of course, are charged with the administration of this law and any failure on your part to enforce its provisions will, according to estimates afforded by the press, rob the Treasury of tax



receipts due on surplus corporate profits which are estimated to reach the enormous amount of over \$2,000,000,000 in 1921—the surplus, not the tax imposed.

This surplus of corporation profits, reaching from 25 to 100 per cent annually, will in the case of Standard Oil alone aggregate over \$1,000,000,000, according to the press, a large part of which has been set aside instead of being distributed in order to escape surtaxes otherwise due the Government from individual stockholders. There can be no reasonable question about the meaning of the law which I have quoted to you, and with which you are familiar, nor of the fraudulent purpose to evade individual income-tax payments through the issuance of stock dividends. You are directed by law to exact penalties when evidence of undue surplus for business purposes exists to an amount of penalties alone that is assumed to reach over \$200,000,000, a conservative estimate under the retroactive provision of the statute.

Believing it my duty to urge your attention as strongly as I can to this evasion of taxes, that you may not later on mistake the full official responsibility for the enormous loss to the Treasury, I again write to point out the apparently defenseless position, in my judgment, you have taken and to suggest that your action may involve a serious economic and political mistake, apart from its failure to perform a plain official duty required of you by law.

On October 23 you gave to the press a statement regarding your purposes regarding tax-exempt securities, which according to Treasury Department practices I predicted would be done in order to distract attention from the requested execution of section 220 of the revenue law. Your statement was significant, however, because it cuts the ground from under any attempted subterfuge regarding enforcement of section 220. It intimates you will not impose penalties under any circumstances however fraudulent or howsoever flagrant the effort to evade taxes may be, although absolutely directed so to do by that section. Let me quote from your statement given to the press October 23:

"Reenactment of the excess-profits tax has its advocates in both branches of Congress, but this is opposed by the administration, as is also the proposition to tax undivided surplus of corporations."

President Harding signed the revenue law of 1921 containing section 220, directing that penalties be imposed, and surely he is not the "administration" you refer to in refusing to enforce that section which has been interpreted by your Treasury regulations, article 353, to mean:

"ART. 353. The accumulation (by corporations) of gains and profits is unreasonable if it is not required for the needs and purposes of the business." \* \* \* "The need of the investment of gains and profits is immaterial if they are not in fact needed in the business."

An announced purpose in financial journals to distribute a large part of over \$1,000,000,000 surplus in stock dividends by Standard Oil in order to avoid payment of individual surtaxes through a cash distribution is certainly known to you, and you alone of all men have control of the secret official records that evidence that fact. Will you refuse to enforce section 220, passed by Congress in 1921, under a plea that the administration is opposed to tax the undivided surplus of corporations?

I leave that statement to your own sense of justice in view of a law passed during your own incumbency in office, approved by the President, and which you are required by such law to enforce.

#### WHAT HAS MR. MELLON DONE OR WILL HE DO?

Your statement that you will urge upon Congress the passage of an amendment to prevent issuance of tax-free securities is noted. During last session I urged passage of such an amendment through the committee and through the House. It failed. What did you do apart from giving it your official approval, and what will you do next session toward its passage that you failed to do in the last? The publication of your statement, I fear, was to sidetrack the issue of penalties now due under the law.

You know, and so do the people generally, that it is impossible constitutionally to get any tax-free amendment through Congress in any form to reach the many billions of State and municipal securities on the market, and that it will take several years under the most favorable conditions to get any kind of an amendment enacted into law. You are only announcing with some gusto that you will ask Congress to lock the door after about all the horses have escaped. Why didn't you do before what you say you will do now?

It is a convenient explanation for failure to reach the tax-exempt security amendment, but I am asking why you do not enforce tax penalties now due on corporations by enforcing a release of "fraudulently" held surpluses which may bring to the Treasury in the aggregate several hundred million dollars in tax receipts? A surplus of over a billion dollars now held by Standard Oil alone and over \$500,000,000 by United States Steel, according to the press, is awaiting early distribution as stock dividends largely for the purpose of escaping individual surtax payments. Will you permit it to escape the legal penalty?

Paying tribute to the exactions of the oil king to-day are over 10,000,000 users of business and pleasure cars throughout the country, and whether the price of oil be 10 cents or 20 cents per gallon more than is a fair price to the corporation, the consumer pays the price exacted. Profits of over 400 per cent on the stock, apart from cash dividends paid, indicates the character of the extortion. Millions of farmers who run tractors, separators, and other farm machinery in like manner pay full tribute exacted by the king. The user of oil not only pays the plunder price but also any increased tax burden caused by every enforced tax-dodging stockholder reaching an amount among nine figures.

#### FAILURE TO PENALIZE THROWS BURDEN ON HONEST TAXPAYERS.

Some one must pay the tax to run our Government, and apart from assessments according to ability to pay, if the burden is shifted or evaded by the oil stockholder through the "fraudulent" handling of surplus by the corporation under the department's definition of the statute, the remaining taxpayers of the country must make good any Treasury deficit reported by you, Mr. Secretary, either in the form of increased tax rates or from other sources. That is to say, the consumers pay the extortionate price of the oil, and their own tax, together with any deficit caused by the oil stockholders' escape.

In the name of 10,000,000 car owners and of many millions of farmers and countless others who use oil now controlled by Standard Oil, I urge you to impose penalties on the subsidiary companies mentioned in my letter of October 23 and thereby release a large part of the surplus profits estimated to have been accumulated by this company to the amount of over \$1,000,000,000.

May I extend the list, Mr. Secretary, and ask in the names of the many millions of people of all vocations and parties, whom you equally represent as Secretary of the Treasury, and in the name of right dealing and common fairness will you not compel these great public evaders of taxes to comply with the tax laws of the land through the power vested in you under section 220?

In view of your understood statement in your letter to me, that you have never assessed a penalty under section 220 or sought to reach by taxation the fraudulent accumulation of surplus by corporations mentioned by statute, and also the failure on your part to indicate what surplus or what accumulations you personally would consider "fraudulent," notwithstanding an interpretation by statute and by your department, which I have quoted in a previous letter, I desire to ask you a question which under the circumstances I trust is not inquisitive or impertinent, because you alone have access to the income-tax reports of persons and corporations required by law to be kept secret.

#### SECRETARY MELLON'S COMPANIES.

Stated briefly, have any of the 60 or more corporations of which you were an officer prior to assuming the duties of Secretary of the Treasury announced or indicated a purpose this year of issuing stock dividends from the accumulations of surplus by such corporations? Have any of such corporations during the past five years averaged a net surplus apart from cash dividends of over 10 per cent annually. Have any of such corporations during the same period averaged 50 per cent annually or more, apart from cash dividends, or approaching an amount understood to have been averaged by some of the Standard Oil subsidiaries to which I called your attention in my last letter?

I do not ask the specific amounts nor rates, nor your individual interest, beyond a further query that if such surpluses have been set aside have you declared a penalty due on the surplus so accumulated by any such corporation, or do you expect to do so under the provisions of section 220? If not, what profits would you hold subject to a penalty, if any?

I do not believe you will refuse to enforce the law, Mr. Secretary, when its purpose is fully understood by you, but the effect of your decision ought to be well considered. The amount involved as estimated reaches a tremendous loss to the Treasury of hundreds of millions of dollars unless you impartially enforce the law, and will have a greater and more far-reaching influence on the country than you seem to appreciate, so I again ask you to reconsider your ruling on section 220 and again urge that the provisions of the 1921 law be enforced by you.

Very sincerely,

JAMES A. FREAR.

#### DOES "OIL" RULE THE GOVERNMENT?

It will be noted that Secretary Mellon was asked what profits his own companies had accumulated as surplus. The directness of this inquiry will later appear in these letters. A restatement of the law imposing penalties was deemed necessary in the following letter, and after referring to the unconscionable profits extorted by the Standard Oil Co. I called Secretary Mellon's attention to the tremendous power now wielded by this great oil monopoly that embraces Mexico, Central America, Teapot Dome, and far away Mesopotamia. Where goes the Standard Oil driller, there goes the flag and the Army and Navy, according to Cabinet members.

What is true of oil control in this country is equally true across the sea in England, where it is also under scrutiny.

The next letter is as follows:

OCTOBER 29, 1922.

HON. ANDREW W. MELLON,

Secretary United States Treasury Department,  
Washington, D. C.

MY DEAR MR. SECRETARY: On October 16 and again on October 23 and October 26 I wrote you asking if you, as Secretary of the Treasury, acting through the Commissioner of Internal Revenue in your department, had enforced section 220, revenue act 1921, enacted by Congress to reach "fraudulent" accumulations of surpluses by corporations in order to escape individual surtaxes. In those letters I urged that you, as the "watch dog of the Treasury," were expected by Congress when enacting the law to enforce the penalty and save an impending loss to the Treasury of several hundred million dollars, according to estimates. That was the law's purpose.

Your only answer, received on October 20, states nothing has been done by you under section 220, that the "commissioner" is the official authorized by the law to act, and in effect that the stock-dividend decision of the Supreme Court several years ago renders nugatory section 220, relating to penalties.

I have consistently tried to prevent you from falling into such a serious error whether due to any unconscious influence of your own individual interests or advice of others that may later be discussed, and I still maintain that while you are understood to be interested as a former official in over 60 corporations, including United States Steel, that announces a proposed stock dividend distribution of \$500,000,000, it will not influence your decision as a public officer. Further that your reputed wealth, according to Klein, of \$300,000,000 with a possible daily income of \$50,000, places you in a position where you can unquestionably prove that your official act is independent of any personal interest.

Let me briefly again quote from section 220, law of 1921: "If any corporation, however created, \* \* \* is availed of for the purpose of preventing the imposition of the surtax on its stockholders or members through the medium of permitting its gains or profits to accumulate instead of being divided or distributed, there shall be levied and collected for each taxable year upon the net income of such corporation a tax equal to 25 per cent in addition to the (regular corporation) tax imposed by section 230."

You will readily perceive that the stock-dividend decision has no more relation to the law of 1921 than an edict of Mohammed. I have pointed out this fact heretofore by liberal quotations, including one from your own Treasury regulations, which reads, article 253:

"The accumulation of gains and profits is unreasonable if it is not required for the needs and purposes of the business, considering all the circumstances of the case. \* \* \* The need of the investment of gains and profits is immaterial if they are not in fact needed in the business."



This is a plain statement by your department showing section 220 bears no relation to the stock-dividend decision affecting dividends when distributed. The rule of law that full credit is to be given by every administrative official to the law, in this case passed by the present Congress and signed by your present chief, certainly applies to you, however great or powerful you may deem your present position to be.

The only question, then, is what facts are before you that call for the imposition of a penalty under section 220. As hundreds of millions of dollars in taxes are involved, I feel it my duty to present the matter as fully as my imperfect powers will permit.

#### EXTORTIONATE OIL PROFITS DISCLOSED.

On October 11 the press stated the stock of the Standard Oil subsidiaries had increased in value this year \$1,060,944,522. This increase was reported from 31 of the 33 subsidiaries. That the Standard Oil of New York had declared a stock dividend of \$150,000,000, and the Standard Oil of New Jersey, apart from 20 per cent paid in cash dividends, had accumulated \$592,000,000, or nearly six times the amount of its common stock, and had declared a 400 per cent stock dividend; that Standard Oil of California, on a par value stock of \$25, now worth \$128, had reported a stock dividend of \$115,000,000.

I am only discussing oil stocks, although others require equal attention through the secret official reports in your department known only to you. One week ago, October 23, Standard Oil stocks, for illustration, sold on the New York stock market at: Indiana, 127; Kentucky, 110; Ohio, 331; So. Ohio, 540; So. Kansas, 593; New York, 570; Prairie Oil & Gas, 670; Vacuum Oil, 655. The latter company reports, for illustration, on a \$15,000,000 stock, apart from \$11,400,000 cash dividends paid in the past, a surplus of \$67,000,000. Of like character are profits reported by Mexican Petroleum, Pan American, and Doheny oil interests generally.

The law of 1917 certainly declares to be "fraudulent" evidence of setting aside of surplus, if any sane reading applies to that law and to the profits I have quoted.

You say in your letter to me of October 20 that the Commissioner of Internal Revenue, in the case of the New Jersey Standard Oil Co., "has found no evidence of the accumulation of surplus beyond the reasonable needs of the business." As the commissioner's findings are yours, I remind you that according to the press quoted in my former letter of October 23, "No corporation has yet submitted its case to the commissioner, so far as known." Is that correct? Your secret records will show.

If the commissioner has not asked any company for any statement, and if this New Jersey company, apart from cash dividends, has accumulated \$592,000,000, or nearly six times the amount of its capital stock, in the name of conscience, which is supposed to have some place in your department, notwithstanding ugly reports in my possession concerning the commissioner's office, I ask, What do you understand was the purpose of Congress in passing section 220? Mr. Secretary, if you should suddenly resign your present portfolio, can you conceive it possible for any successor of yours or of your commissioner to view this remarkable situation without concern?

#### SEVEN MILLION INCOME-TAX PAYERS CONCERNED.

The purpose of issuing stock dividends to avoid payment of individual surtaxes will never be more flagrantly evidenced in the history of the country than now, and your failure to impose any penalty on the Standard Oil Co. will arouse more widespread concern than you seem to realize. What explanation can you make, Mr. Secretary, satisfactory to the 7,000,000 of income-tax payers of the country who pay their taxes according to law and are faced with this attempt to escape over a hundred million dollars in income taxes by one company, whether through a financial and political power exerted by that company or because of the shrewdness of its officers is immaterial.

In this connection I submit that Standard Oil is the best argument that can be offered for the reenactment of the excess-profits law, which was right in principle, according to many tax experts, but which you and other large business men asked to have repealed last session. Your aid in securing that repeal saved these gigantic companies large payments of taxes, that from all sources brought \$450,000,000 tax to the Treasury in 1921. Doleful tales last year of corporate profits do not measure up with the average yearly profits now reported to have been maintained by oil and steel, all of which were known to you from the secret records in your department. What can be said regarding the sudden announcement of these oil and steel companies after several years of enormous profits that they now disclose by their books? Does it not seem a strange and striking coincidence that the announcements were held up until the excess-profits tax was repealed?

#### GASOLINE DROPS 1½ CENTS.

A strange coincidence representing over a million dollars saved daily to consumers and other data, occurred on October 26, the date of my third and last preceding letter to you, published quite generally in New York papers the same morning. In the afternoon Washington Star, same date, page 28, column 5, three leading notices strangely follow each other: First, "No change in crude-oil prices"; next, "Standard Oil to-day reduces price of gasoline 1½ cents per gallon"; next, "Aluminum Co. of America 78, 1933, 106½ bid."

No common stock quoted on market. All of which is interesting, if not significant.

Several chapters of interesting reading would be disclosed if the true inwardness of these stock-dividend announcements at this time was made public, and I again urge you, as some slight means of avoiding the enormous Treasury loss affected by the excess-profits tax repeal that you impose the 25 per cent penalty on surpluses found to be "not in fact needed in the business."

Government by Standard Oil and United States Steel will not be a matter of fiction if these great combinations of wealth are able to put aside between them a billion and a half dollars in surplus for the purpose of escaping the payment of individual surtaxes without any imposition of the law provided by Congress in 1921 to reach such "fraudulent" efforts, and at a time when the humblest citizen is obliged to pay every penny of his tax.

Letters and words of commendation for calling these facts to your attention have come from actuaries, attorneys, and leading Members of Congress to the effect that this matter will not be settled until settled right. Frankly, no better argument can be offered for the necessity of passing a law directly to reach all undistributed profits of corporations; for the reenactment of an excess-profits tax law; for an increased inheritance tax law, and for absolute publicity of the secret income-tax records of your department.

#### STANDARD OIL'S SUPREME POWER.

How far Standard Oil and its oil associates control this Government and threaten our relations with others may not be part of a discussion of its refusal to pay legitimate taxes due the Government, but I believe it not amiss briefly to call your attention to its recognized power to-day.

Standard Oil fixes absolutely the price for 10,000,000 of car users of oil in this country, for millions of farmers who use tractors and other farm machinery and for every large industry and every municipality that uses oil. No law can reach the price or the rate of profits or apparently the tax that should be paid by this octopus company.

The most eloquent pleader before the Supreme Court in the Stock Dividend case, who won to his views the fifth and deciding justice, now in his present position as a Cabinet officer of great ability and distinction, has just secured for Standard Oil and other American oil interests a right to 10 per cent of Mesopotamia's oil fields. If Turkey protests and refuses the demands of Standard Oil it remains for the Government to use force to carry out the demands of any Secretary of State, and force means an army and navy with which to fight the battles of private oil corporations.

Notwithstanding Washington's past and prospective world peace conferences, your close associates, Secretaries Weeks and Denby, are constantly quoted in the press in favor of a larger Army and Navy with which to meet foreign complications, the greatest of which appears to lie in protecting Standard Oil's various foreign developments and exploiting activities. Would it not, Mr. Secretary, be a matter of partial justice to compel Standard Oil to pay its full share of taxes with which to build any extra \$40,000,000 battleships thus needed and to pay the extra men assumed to be required for the protection of private oil exploitations? In other words, why not let "John" and not "George" do it?

#### PHILIPPINE INDEPENDENCE DEPENDS ON OIL.

It is regarded as an open secret in many quarters that Philippine independence or the date of our release of the islands depends in part upon the result of Standard Oil exploitations in the islands. This statement made in the press may fairly be assumed to have some basis of fact.

I do not pretend to say just what part Standard Oil has played with existing and past strained relations between this Government and Mexico, but that oil and oil alone has been one great source of friction leading to violence and governmental interference by us with Mexico is a matter of history. Oil is the inspiration for such differences, whether Sinclair, that is reputed to be controlled by Standard Oil, or Pierce Oil or Doheny Oil, all of which stand together for mutual interests and level prices that are always maintained. In like manner, Central American countries can tell the same tale of our private oil exploitations and other activities there which affect our relations with the weaker countries at the south who have little voice in the control of their own countries.

Secretary Fall and the Teapot Dome "deal," to use no stronger term, is of recent date, and I am informed that 300 newspapers are advertising 9,320 acres known as naval petroleum reserve No. 3 in Wyoming; that oil wells there are flowing between 10,000 and 20,000 barrels per day and the Salt Creek field, of which this is a part, is producing 150,000 barrels per day. Shares are being sold by the Mammoth Oil Co. (Standard Oil controlled) that have no par value but have brought to the manipulators of the deal somewhere around \$90,000,000 and that the Government has lost between \$15,000,000 and \$20,000,000, due to the low rate of royalties.

I can not vouch for the correctness of all these reports, but the one outstanding figure on the public mind is that another leading Cabinet official should have permitted this lease, sale, or gift to a powerful company that lays its hands on American and European fields with equal certainty; that places Mexico and all Central American Governments in a virtual state of subjection by our Government, and as a last evidence of its power after receiving a stock-dividend decision several years ago, in the California Standard Oil case, by a bare majority of one justice in the highest court in the land, again comes into public notice through its resistance of law and of any effort by Congress to compel a disgorging of a small part of its unconscionable profits which rests for its protection with your department, Mr. Secretary.

It has been common practice to denounce oil and steel magnates and to place them in a class with Jesse James and Captain Kidd and other buccaners, with a limousine polish brought down to date. All these men may have hold-up records of their own, each in his particular specialty, but I am not concerned with their acts or attitude, past or present. I am only presenting to you facts in my possession and the law and ask if any failure to impose the penalty on these interests or others that may be culpable owners, will the responsible officer be held blameless for permitting plunderers to escape scot free?

Let me say frankly, Mr. Secretary, I do not believe the question is one for which any political party alone can be held responsible, but the principal actor on the stage now is yourself and I trust you will not place your party and the country in a defenseless position by any failure to enforce the law. Again I repeat, I do not believe upon reexamination of the law and the facts you will refuse to impose the penalty.

Sincerely yours,

JAMES A. FREAR.

#### OUR OIL DIPLOMACY.

Great statesmen at both ends of the Capitol who rage over the League of Nations, and those who criticize the four-power treaty, I ask of them what is more serious as a matter of Government policy than the following extract from the Washington Post of November 23. Found in an inconspicuous place, it notifies us that we are kept from knowing the true facts regarding Standard Oil and our relations with foreign governments due to smothering of facts.

Not content with fleecing the American public out of a 775 per cent net profit on its capitalization in 10 years, or \$775,000,000, the Standard Oil Company reaches out with its demands all over the world in the name of the Nation. Then, after provoking international entanglements that invite armed intervention, this same company boosts its profits by increas-



ing the price of oil to Government vessels within 30 days over 30 per cent, as I have shown in these letters.

October 26, as stated in my last letter to Mr. Mellon, the Exchange stated: "No change in crude-oil prices," yet Uncle Sam has just been stuck for a 30 per cent increase by Standard Oil on a large naval fuel purchase made on November 14 with a 50 cents per barrel increase. We have given away our oil fields to these companies, and may well say "And you, too, Brutus."

Read the latest news of this infant industry:

AMERICANS' OIL RIGHTS GUARDED AT LAUSANNE—AMBASSADOR CHILD WILL DEMAND OPEN DOOR IN MOSUL FIELDS FOR NATIONALS.

[By Henry Wales.]  
(Special cable dispatch.)

LAUSANNE, November 22.—Determined efforts to bottle up all the news of what is going on at the Near East peace conference are being made by the French and British. The latest suggestion is that the delegates and all persons attached to the conference shall be forbidden to converse with newspaper men. The communique, which is given out daily by a committee composed of French, British, and Italians, is becoming smaller and smaller.

Ambassador R. W. Child, the American observer, stated to-day that when the Mosul oil fields come up for discussion by the conference he will enunciate the American Government's policy and will demand an open door there the same as in other mandated territory where there are oil fields.

It is understood that the American observers have been instructed by the State Department to safeguard the interests of the Standard Oil Co. in Mesopotamia and not to accept without a protest any disposition by the British of the country's fabulously valuable oil deposits.—(Copyright, 1922, by the Chicago Tribune.)

November 26 the press carried another threat by this country if Standard Oil rights to develop the Turks' country are not respected. We threaten the Turk to protect a questionable right of an oil company and stuff cotton in our ears when Armenians ask equal protection. Doubtful oil-property rights superior to humanity is the European and American policy.

On November 24, two days later, McDonald, leader of the Labor Party of 141 members, declared in the House of Commons that his country (England) is entitled to a much fuller statement of the Government's policy in the Near East, and further he asked: "Is our foreign policy to be guided by the oil interests as in the past?" What is the answer here and in England to that same question?

MR. MELLON, THE TREASURY CUSTODIAN, LEADS THE RACE.

In the next letter follow two significant articles. The first by the official organ of Standard Oil—the "Lamp"—gives the net profits of the New Jersey company for 10 years at \$775,163,260, and is an eye opener to the millions who have bought "gas" and paid tribute to the monopoly for a decade.

Another quotation is more startling because it charges Secretary Mellon, the "capable Secretary of the Treasury," with instituting the mad riot that has given the country a shock not easily forgotten, because nearly every citizen has contributed to the oil extortion profits, and now we find that the man who is chosen to enforce the law is the chief offender with his Gulf Oil properties. No more grotesque maladministration of office can be imagined if these charges by reputable New York brokers are true. The letter follows:

WASHINGTON, D. C., November 12, 1922.

HON. ANDREW W. MELLON,  
Secretary United States Treasury Department,  
Washington, D. C.

MY DEAR MR. SECRETARY: I have your letter of November 2 stating that you have received my several letters and that you pointed out in your previous letter: "The declaration of a stock dividend has no significance under section 220, and in any case where the section applies the department can proceed with its enforcement quite as well after as before the declaration of a stock dividend. The Treasury is diligently enforcing section 220, according to its terms, in every case where applicable but can not, of course, extend the law to cover matters beyond its scope."

I thank you for your letter, and will say in no way have I sought to urge that a stock dividend was taxable, but I am presenting to you, based on information not heretofore given to the public, the following statement by the official publication of Standard Oil Co., the Lamp:

"In the years from 1912 to 1921, inclusive, the company (New Jersey Standard Oil subsidiary) has shown net before taxes of \$775,163,260. Of this sum \$115,517,677 has been paid for taxes, \$222,065,226 represents aggregate dividends, and \$437,580,357 has been absorbed by the needs of the business."

This shows, if interpreted correctly, that Standard Oil of New Jersey, the subsidiary company under discussion, made in profits for 10 years 775 per cent, or 77½ per cent annually; that after paying taxes it distributed 220 per cent in cash dividends, or 22 per cent annually, to its stockholders, and in addition to this enormous profit it laid by in surpluses \$437,580,357, or 44 per cent, additional profits every year.

WHAT MORE EVIDENCE COULD BE ASKED?

On this showing I ask you is it possible that you can find question in your mind regarding the imposition of penalty provided by section 220? And is it not a fact that your commissioner has failed to demand of Standard Oil a statement of its "needs in business" and has refused to enforce the penalty provided in section 220, acting under your advice in the matter? Is it not *prima facie* evidence that the purpose of setting aside 437 per cent surplus in 10 years by Standard Oil was to prevent the imposition of the individual surtax

on its stockholders? If you claim it is not, then, indeed, Congress has a duty to perform in reaching by law the undistributed surplus that thus avoids individual surtaxes.

This evidence of extortion that I am calling your attention to, and when enormous surpluses are placed beyond the reach of individual surtaxes it seems a stretch of imagination to say that all such surpluses are exempted from the provisions of section 220.

You say that after the stock dividends are declared the statute still applies. I ask you frankly why it should not apply before the dividends are declared when the evidence has been submitted? And I further ask you in all sincerity what cases, if any, have been required by you to pay a penalty under section 220? I ask this because the press states that the Commissioner of Internal Revenue has never asked the Standard Oil Co. for a statement of its "needs in business" that would reach 400 per cent surplus accumulated in 10 years. Again, I ask you what companies have been penalized, and I do not make this inquiry out of curiosity, but call your attention to "Investment Opportunities," volume 4, No. 11, November, 1922, published, I believe, in New York, which contains many blank applications for investment in Standard Oil stock, and which states in its introductory paragraph, page 1, as follows:

"Since we were last privileged to address you two dominant factors in world finances have made decisive moves. Andrew Mellon, banker, oil magnate, and capable Secretary of the Treasury, controlling the immensely wealthy Gulf Oil Corporation, inaugurated the stock dividend and melon-cutting era of 1922-23. Gulf Oil led the movement with a 200 per cent stock dividend. The stock jumped from \$400 to \$800.

"The Rockefellers followed immediately by deciding to distribute the Standard Oil surpluses. The Standard Oils—Kentucky, California, New Jersey, New York, and Vacuum—followed with a distribution of from 100 to 400 per cent. Nearly 30 more Standard Oils are 'possibles.' The American Radiator and National Biscuit Cos. were doubtless influenced, and also declared large stock dividends. Many others will follow.

"Our last issue indicated these possibilities (p. 5, September, 1922). The probable effect on future American markets is not exaggerated. Nothing like it has ever happened before, and is unlikely to happen again in a generation."

SECRETARY MELLON LED THE MELON CUTTING.

This startling statement, made by an investment journal and a reputable house, I take it, in New York, terms you as the very capable Secretary of the Treasury, controlling the immensely wealthy Gulf Oil Corporation that inaugurated the stock-dividend and melon-cutting era of 1922-23, when the stock of your company jumped from \$400 to \$800 and that Rockefeller companies simply followed your lead.

I recall your letter of October 20 in response to mine of October 16, therein announcing that you did not intend to impose any penalty under section 220 on the New Jersey Standard Oil 400 per cent stock dividend surplus. I now ask your attention to that company's published statement, herein quoted, that in 10 years, on a capitalization of \$100,000,000 (Manual Statistics, 1918, p. 456), a net profit was had of \$775,000,000, of which \$222,000,000 was distributed in cash dividends and \$437,580,000 held as surplus, or 437 per cent surplus.

Also that section 220, enacted during your term, provides: "If any corporation is . . . availed of for the purpose of preventing the imposition of the surtax upon its members by permitting its profits to accumulate instead of being divided, there shall be levied and collected for each taxable year upon the net income of such corporations a tax equal to 25 per cent in addition to the tax imposed by section 230." That prior to your own incumbency Treasury Department instructions, article 353, 1918, defined this to mean: "Unreasonable accumulations, if not required for the needs of the business, . . . the needs of the investment of profits is immaterial if they are not in fact needed in the business."

Your attention is next asked to the public statement quoted from "Investment opportunities" that "Andrew Mellon, oil magnate and capable Secretary of the Treasury, controlling the immensely wealthy Gulf Oil Corporation, inaugurated the stock-dividend and melon-cutting era of 1922-23. Gulf Oil led the movement with a 200 per cent stock dividend. The stock jumped from \$400 to \$800. Rockefellers followed immediately by deciding to distribute the (\$1,000,000,000) Standard Oil surpluses," etc.

Also the significant statement, "Nothing has ever happened before—and is unlikely to happen again—in this generation." Standard Oil stock applications were attached and offered for sale with this announcement. If I have incorrectly quoted any fact or the law, I shall be glad to be so informed and will make full corrections.

Your statement to the press that this year's Treasury deficit will reach \$670,000,000 (due in large part to the \$450,000,000 excess-profits tax repealed, urged by you) is also noted, and while hundreds of millions of dollars in penalties and surtaxes doubtless may be collected under section 220, as intended by Congress, to my mind other factors in the case, heretofore referred to, are of greater importance. Only secret records and secret administration of the law makes this startling situation possible.

In the next letter I may carry coals to Newcastle when indicating the purpose and effect of section 220 as distinguished from the stock dividend decision. Extended editorial comment by the New York Journal of Commerce, Times, Commercial, and a two-column editorial in the Wall Street Journal all speak from the viewpoint of a distinguished New York banker who said he spent 1 month in making up his tax return and 11 months trying to learn how to avoid his taxes. Apparently your solution will be a happy one for him, but I feel sure it is not that contemplated by the average legislator when the law was enacted.

Renewing my observation that it is an incongruous situation that asks you to enforce section 220, but again urging a strict imposition of the penalty therein provided to reach abnormal surpluses, I am,

Very sincerely yours,

JAMES A. FREAR.

WHEN A MELON BECOMES A LEMON.

In addition to this apparently authentic statement that Secretary Mellon and Gulf Oil, his company, started the riot of melon cutting, I have been advised that Secretary Mellon has just closed out a great deal whereby Standard Oil of Indiana has taken over the Mellon Gulf Oil Co. And Standard Oil is the chief culprit with over \$1,000,000,000 surplus that followed the Mellon company's "melon cutting" lead. What conclusions must be drawn?



A review of the law and facts disclosed is submitted in the following letter to prove that the celebrated Captain Kidd was "a piker." Jesse James in like manner belonged in the verdant youth class compared with hardened gamblers who squeezed the men and women of the land until the eagles and half eagles shrieked with pain. Now, these interests are getting away with their ill-gotten gains and all the public can do is to shout, "Officer, do your duty." Then we hear the New Yorkers answer, "Why, the officer is the fellow that led us astray." As I have said, somewhere in these letters, it is a sad case when the "melon" to the tax-dodging stockholders by a transposition of letters becomes a "lemon" to the Government Treasury. The following letter to the Treasury custodian explains itself:

WASHINGTON, D. C., November 19, 1922.

Hon. ANDREW W. MELLON,  
Secretary United States Treasury Department,  
Washington, D. C.

MY DEAR MR. SECRETARY: In continuation of my discussion of section 220, relating to tax penalties, I call your attention to a remarkable spectacle in our governmental taxing system which occurs when you, the only official empowered by law to impose tax penalties under section 220 on large accumulated surpluses, are charged by reputable New York brokers with being one of the chief beneficiaries of the system. It is stated that Standard Oil, United States Steel, and other great corporations now about to distribute over a billion dollars in stock dividends, thus escaping individual surtaxes, have only followed your lead. In your letters to me you fail to say if any company has been penalized under section 220 of the law. I repeat the inquiry and again ask what accumulations of surplus, if any, in your judgment, should pay a penalty tax under section 220? I renew both inquiries.

One of your own companies, Gulf Oil, is declared by Investment Opportunities to have led the nation-wide mad melon-cutting race. Standard Oil of New Jersey, with 77½ per cent net profit during 10 years, followed Gulf Oil's precedent with a \$437,000,000 stock dividend that will escape any penalty tax or any surtax. Why? How can you penalize Standard Oil or any other company when your own company, Gulf Oil, led the way with a 200 per cent stock dividend of accumulated surplus and why should the Government lose possibly hundreds of millions of dollars in penalties and surtaxes because of this anomalous situation? What should Congress do and what is your duty, Mr. Secretary?

#### SECRET REBATES TO SECRET COMPANIES.

The Internal Revenue Bureau already asks Congress for \$42,000,000, only a fraction of the total amount needed, with which to refund taxes rebated in secret to secret companies or individuals. With your own attitude against surtaxes, excess profits, and tax penalties in general and the record of that office, what protection has the Government Treasury when the conflicting claims of big business and strict enforcement of the law meet? Is not the answer found in the way section 220 is now administered?

I repeat two short paragraphs, one from the official Standard Oil publication, *The Lamp*, as follows:

"In 10 years, from 1912 to 1921, inclusive, the company (New Jersey Standard Oil subsidiary) has shown net earnings before taxes of \$775,163,260. Of this sum, \$115,517,677 has been paid for tax, \$222,065,226 represents aggregate dividends, and \$437,580,357 has been absorbed by the needs of the business."

The other from Investment Opportunities carries its own story, as follows:

"Since we were last privileged to address you two dominant factors in world finances have made decisive moves. Andrew Mellon, banker, oil magnate, and capable Secretary of our Treasury, controlling the immensely wealthy Gulf Oil Corporation, inaugurated the stock-dividend and melon-cutting era of 1922-23. Gulf Oil led the movement with a 200 per cent stock dividend. The stock jumped from \$400 to \$800."

"The Rockefeller followed immediately by deciding to distribute the Standard Oil surpluses. The Standard Oils—Kentucky, California, New Jersey, New York, and Vacuum—followed with the distribution from 100 to 400 per cent. Nearly 30 more Standard Oils are 'possibles.' The American Radiator and National Biscuit Cos. were doubtless influenced, and also declared large stock dividends. Many others will follow."

"An extract from section 220 is also repeated to make the case: 'If any corporation is . . . availed of for the purpose of preventing the imposition of the surtax upon its members by permitting its profits to accumulate instead of being divided, there shall be levied and collected for each taxable year upon the net income of such corporation a tax equal to 25 per cent in addition to the tax imposed by section 230.' Prior to your own incumbency article 353 (1918) defined this to mean an 'unreasonable accumulation, if not required for the needs of the business; . . . the needs of the investment of profits is immaterial if they are not in fact needed in the business.'"

The *Lamp* statement, I take it, means that for a period of 10 years last past in good times and poor the average net profits of this one Standard Oil subsidiary company out of a total of 33 reached the enormous amount of \$775,163,260 on a capitalization of \$100,000,000, or 77½ per cent net profits annually. After payment of taxes it reports a net profit to the stockholders of \$659,645,583, or 66 per cent annually, and of this amount 22 per cent annually was paid in cash on every dollar invested, and it now proposes to place in stock dividends the remaining 44 per cent of its annual profits in round numbers.

#### WE WALKED THE PLANK.

The "holdup" of 10,000,000 owners of cars and many millions of farmers who use oil and were squeezed for a profit during the last 10 years of 77½ per cent annually by Standard Oil shows clearly, as contended by car users, that Captain Kidd was a piker. While the average farmer with \$186 average annual income, according to the agricultural investigating committee, gets 50 cents a day and the Government bonds bring only 4½ (three times oversubscribed), and industrial average around 6 per cent, Standard Oil extorted 77½ per cent net profits annually, or 66 per cent after payment of its taxes, self-assessed.

On this statement editorial writers in New York papers say Congressmen do not understand the tax problems. Unless purposely wrong, it is evident that supposedly learned high-priced men do not know the rudiments of a question of which you, Mr. Secretary, know all the ram-

fications, and I am only giving an illustration of the effect of Standard Oil stock dividends in order to indicate the necessity for the imposition of section 220 and to reach such unconscionable profits hereafter by adequate legislation.

#### HOW THE SURTAX WAS DODGED.

The press says your commissioner has not asked for the facts from any Standard Oil company. The "*Lamp*" confesses, after paying 22 per cent annually in cash dividends, it must go into the market for funds to exploit the world unless it uses the amount belonging to stockholders to exploit Mesopotamia and other foreign fields. How does it work? Mr. Rockefeller, for illustration let us say, holds one-half of the New Jersey Co. subsidiary stock, or \$50,000,000. He has then received during the past 10 years \$110,000,000, or 22 per cent annually, in cash dividends. If after deduction of all corporation taxes he had been paid all of the 66 per cent net profits in cash remaining, his half of the 44 per cent about to be issued in stock dividends would, in addition to past dividends, be \$218,000,000 more in cash, or one-half of \$437,580,357, now about to be issued in stock.

The income tax law for 1921 reached 68 per cent for normal and surtax on amounts over \$200,000, which Mr. Rockefeller would have paid the Government unless avoided, or \$148,000,000 more in taxes in round numbers on \$218,000,000 income from the New Jersey Co.'s undistributed dividends alone, which is now going into tax-free stock dividends. Under existing law (1922) the income tax rate on all over \$200,000 annual income is 58 per cent, and the amount of tax properly payable can readily be ascertained in like manner. Of course, this amount if spread over 10 years in profits would have received lower tax rates when resting on the New Jersey Co. alone, but if from all his investments Mr. Rockefeller has been receiving \$100,000,000 annually, or several times that amount, that he is popularly supposed to receive on his estimated wealth of \$2,500,000,000, then the illustration holds good.

#### STOCK DIVIDENDS V. CASH DIVIDENDS.

By the stock dividend alley all these vast taxes from Mr. Rockefeller, or Mr. Morgan, or Mr. Mellon, apart from corporation taxes payable by all others, are lost to the Government. The stock dividend case by a decision of five justices to four exempts the dividend when once actually declared, but section 220 seeks to reach surplus profits every year not needed for the business. If it is not imposed, then that particular evil must be reached by a law taxing undistributed profits and not left subject to the dissenting action of any official or the decision of any court, however close.

Of course, the New Jersey corporation pays a tax on its stock of possibly one-quarter what Rockefeller would pay on his individual income, but after that tax was paid by the company Rockefeller received his 66 per cent dividend, one-third in cash, and unless you now impose the penalty he will not pay any tax on the 44 per cent, or two-thirds of his income, from this company that will go to him in stock dividends. And what is true in Rockefeller's case is equally true of every other stockholder in the New Jersey Co., and also of every one of the 32 subsidiaries of Standard Oil, and also of every other oil company, because oil prices and profits are largely in harmony, and what is true of oil is true of many other industries, as you well know, Mr. Secretary, through your own connection with 60 or more corporations.

If Standard Oil and Steel were distributing their profits in cash dividends instead of covering up by stock dividends, how long do you suppose it would be before the American public would set up a persistent howl over disclosures of 77½ per cent annual net profits during the past 10 years, and how long before public sentiment would force Congress to grapple with two corporations that now fix the price of gas and steel and extort unconscionable profits from every user in the country?

Under present conditions we know how wealth escapes through stock dividends, but how does the small taxpayer fare who does not receive stock dividends from the Standard Oil or Steel? Possibly you do not remember there are a hundred of these to every large taxpayer or tax evader?

#### JOHN JONES AND SAM SMITH.

Let us suppose John Jones, an individual, received \$10,000 or \$20,000 annual income—the smaller amount is many times the general average. If received from professional or personal business work, not corporate, ordinarily he pays over and above his exemption every dollar of tax under the law and does not escape through stock dividends nor through tax-free investments. If he wants more money for his business, he goes into the market for it or uses from his savings after having deducted his personal tax. If Sam Smith, who runs a farm and earns the average 1921 net income received by the farmer of \$186, he will not have much left after paying living expenses for himself and family. If he does not pay taxes, however, on his horses, cattle, and farm, along comes the collector and sells Smith's property, including in his execution sale on the tax judgment Smith's horses and cattle and other live stock. Smith must go into the money market like Standard Oil may do to borrow money, not for exploiting his business in foreign countries but for taxes to prevent the loss of his home and stock.

As you well appreciate, Mr. Secretary, out of the wealth of your experience, more financial crimes are committed in the name of "stock dividends" than by all the tax-exempt security transactions which you denounce, past, present, or future. In the case of Standard Oil and United States Steel, I am informed the number of stockholders is rapidly decreasing, with a prospect of having these great monopolies eventually owned and controlled by a handful of men, if, in fact, the latter state has not already been reached. The small stockholder with a small surtax needs and wants his cash dividend. The large surtax payer like Rockefeller or Gary, with a certainty of avoiding individual taxes under the Supreme Court decision, elects to declare a stock dividend and the big fish swallow the little fish who can not hold on because they only receive one-third of the profits in cash dividends.

The Government certainly needs the money, with its \$23,000,000,000 debt burden unpaid, so when an enormous corporation surplus of \$437,580,357 is placed in stock dividends by one company it invites a humble protest when you say that it is not reached by section 220. The stock-dividend fever encourages tax dodging; it spreads out and furnishes surpluses for gobbling up small competitors, and it freezes out the little stockholders of the same company. Other evils need not be enumerated, but four justices of the Supreme Court had a premonition of its wrongful use by a handful of men who would thereby control all our industries. The fifth justice, on a rehearing of the *Macomber* case, fell on the other side and opened the door to subsequent frauds, made possible with the passage of the income tax law. Section 220 is not as comprehensive as a tax on undistributed profits



nor does it go as far as a tax on excess profits, but it seeks to prevent piling up of surpluses accumulated to avoid individual taxes, and to that extent on behalf of the people whose confidence you have as keeper of their strong box it is your plain duty, as I view it, to impose the penalty provided by section 220. Prima facie Standard Oil and United States Steel are under suspicion when they pile up large surpluses, and it is for them, not you, to prove their case under the statute. If they do so, then curative legislation will certainly follow.

#### WHO CAN MEASURE THE SHYLOCK TRIBUTE?

It is claimed that the clashing of Germany and Britain in war was due to a "megalomaniac nationalism," or a nationalism made aggressive by prosperity. This country seems to be reaching a megalomaniac money imperialism, in the judgment of many sober, conservative, thinking men—an aggressive financial domination that stops at nothing in its world-wide campaign. Those who believe in the rights of property under the Constitution and the rights of men guaranteed by that same instrument are fearful that the growth of widespread distrust and misgiving is primarily chargeable to men who exact a Shylock's tribute from the public and then seek to shift their tax burdens upon those already fleeced. I am not discussing at length a problem that must squarely be met in the near future beyond expressing the effect of Standard Oil's revelation of profits and tax evasion on the average mind.

Secret diplomacy in international relations is a breeder of war and distrust, and secret administration of the Government's taxing power creates a well-grounded suspicion against the administration of the law. The shifting of tax burdens under existing law can only be ascertained by full publicity, and if you should now fail to enforce the law where the Shylock's tribute has been so clearly exacted by a public confession, how can your department's secret administration of other laws invite confidence?

I am frank to say, Mr. Secretary, if your commissioner failed to do his duty in demanding from Standard Oil a statement under section 220 he is not the man to act in the matter. In a written statement from an ex-official of the Revenue Bureau, supported by personal corroboration from other ex-employees, I am informed refunds to big business and individual taxpayers approaching nine figures have been made since your incumbency; that favoritism exists; that a former chief solicitor of the bureau, now a successful practitioner before it, under the Wilson administration was an usher at the White House without previous legal practice or experience, and that his brother-in-law, appointed to the same high position, had an equally limited tax experience. As the records are all secret, individual favoritism is certain to occur, for secrecy begets such practices.

#### \$42,000,000 MORE TO PAY TAX REFUNDS.

A noisy profession of desire to collect five-year-old back war taxes has been given publicity recently by the Treasury press bureau, accompanied by a demand on November 10 that Congress give the Internal Revenue Bureau \$42,000,000 to pay recent secret refunds of taxes. To whom were the refunds given, and why, and what attorneys recovered the refunds for their clients, and were former bureau contesting employees given especial consideration? Why should Congress blindly appropriate \$42,000,000 to cover secret adjudications based on secret records made by men whose judgment is of uncertain value to men whose past records in the bureau may also properly be subjected to inquiry? The bureau might easily have collected in taxes and penalties several times the amount demanded if section 220 was imposed. The query arises, Why have you not directed that it be done?

In my next letter, Mr. Secretary, I shall endeavor, however imperfectly, to show by incontrovertible evidence that you have not been in harmony with Congress or the country on some of the most vital and important matters of legislation that have come before that body since your appointment as Secretary of the Treasury, which may account for the attitude of your department on section 220, and that your failure to impress your undoubted great ability on Congress has occurred through a lack of understanding of the sentiment of the country which Congress is chosen to represent.

Trusting in the meantime you will not ignore my efforts to bring to your attention the importance of section 220, and assuring you that a thorough, impartial administration of the law instead of more law frequently solves the problem, I am

Very sincerely,

JAMES A. FREAR.

CONGRESS DIFFERS FROM MR. MELLON OFTEN.

In my letter of November 22 I pointed out specifically why Secretary Mellon, with his enormous wealth and varied business interests, could not understand the viewpoint of Congress or of the people we represent. Time after time he has been checked in his efforts to force his ideas on Congress and the country, and the official record is submitted in order to show the utter hopelessness of expecting any penalty to be imposed in any case by an official who not only led the melon-cutting race but does not believe it right to impose any penalty irrespective of profits, surplus, or needs of business, or of the plain reading of the law.

No Cabinet officer has met with more rebuffs from Congress than Mr. Mellon, and Mellon's Cabinet associates have had many experiences to their credit. But I leave the letter to carry its own story:

WASHINGTON, D. C., November 22, 1922.

HON. ANDREW W. MELLON,

Secretary United States Treasury Department,

Washington, D. C.

DEAR MR. SECRETARY: In my last letter of November 19 I promised to point out what I deemed to be your failure to grasp the viewpoint of Congress, not mine personally but the collective view, as I shall endeavor to show. I have discussed the 77½ per cent annual profits of Standard Oil, its billion dollar surplus earnings now waiting stock distribution and avoidance of taxes, and the workings of stock dividends generally, as well as the secrecy clause that cloaks the tax administration of your office. Also your own responsibility, according to New York brokers, for leading the orgie of melon cutting and resulting tax evasions under section 220.

I will not knowingly misstate your position at any time, but feel it has been so repeatedly indicated to Congress that the blind may

read. Further, that in tax legislation and tax administration your views are at violent variance with a majority of those on the hill and consistently are ever found in defense of big business whatever the issue.

It may be unnecessary to say I have no motive nor interest, nor have I had in the past, than to perform what I believe to be a plain duty, and whatever the final result the responsibility, of course, rests with you as to the enforcement of section 220. I have ever granted you equal sincerity when we differed on legislative propositions in the past. Because it has a direct bearing on your present action now, may I venture to recall some of these important differences to your attention?

#### THE DANGEROUS FOREIGN DEBT REFUNDING RESOLUTION.

You presented to the House committee during this Sixty-seventh Congress a resolution for refunding the \$11,000,000,000 of foreign war debts, in which resolution you alone would have been granted absolute, unlimited power to make such settlements as you chose; to cancel debts or substitute securities, if you so decided; and all of this unprecedented power to be exercised by you in secret and without time limit were contained by construction in a resolution we were urged to put through committee by the chairman on the same day it was received from you. Several members of the committee supported my successful protest against any such action until your proposal could be considered.

In the CONGRESSIONAL RECORD of October 21, 1921, is set forth my statement of protest lodged against this transcendent assumption of power asked for by you and of five amendments then prepared by me and urged upon the committee, which were all adopted with modifications after securing their reluctant acceptance from you before the committee, with alternative of contest in the House. No other amendments were considered by the committee or the House. These five amendments were: First, for a commission instead of for you alone to settle the method and duties of refunding of the \$11,000,000,000; second, removing all power by you or the commission to cancel any foreign debts, now seriously and persistently urged by New York banking interests; third, the same restriction on power to substitute any other country's obligation for the debts; and the fourth and fifth amendments relating to publicity and limitation of time in which to act. These, with minor changes in form, were adopted and were embodied in the resolution by the committee, by the House and Senate, and are now law. You and I then differed, as both had a right to do, but I submit, especially in view of your proposed ruling on section 220, that the limitations pressed by me and accepted and eventually adopted by both Houses with the approval of the Executive, were not only desirable limitations on your power proposed in your resolution but from the standpoint of protection of public interests were necessary.

#### REDUCING THE HIGH SURTAX RATES.

Again, your strenuous efforts to reduce the maximum income surtax rates from 60 per cent to 32 per cent, or practically one-half, which you publicly announce you propose to repeat, are familiar to Congress and to the country, due, presumably, to the same influences that now surround you when the enforcement of penalties, section 220, is considered. In the CONGRESSIONAL RECORD of November 17, 1921, is set forth my protest in the House made against the wholesale reduction of surtaxes to 32 per cent, which you supported, as you do now, and you may remember that after a vigorous contest your contention was defeated by a vote of 202 to 173, while the Senate provision, which also defeated your efforts after a lively contest, was approved finally by Senate, House, and your chief and is now the law of the land over your repeated public protests.

#### A HALF BILLION DOLLAR PROPOSED TAX REBATE.

Again, prior to passage of the 1921 revenue act your contention that the excess profits tax repeal should be made retroactive from January 1, 1921, was forced by you and your supporters to a decision in a Republican House conference with over 180 Republicans present. It was briefly shown there by the undersigned that such action would permit corporations that claimed the tax "had already been collected by them through increased prices" thereafter to pocket \$450,000,000 in 1921 so collected and lost to the Treasury that amount in taxes. While the conference was not public—a cause for regret—your proposal was squarely defeated and prevented by a majority of the members of your own political party in party conference. The conference in defeating your proposal saved to the Treasury, in round numbers, a half billion dollars from corporation excess-profits taxes and from reduced surtaxes in 1921, because the House and Senate by law ratified the conference decision. May I suggest such action over your protest again indicates the difference between the collective legislative wisdom of Congress and your own individual judgment, which you say exempts a 400 per cent surplus accumulation from section 220?

#### THE DYE MONOPOLY FIGHT.

Again, the dye embargo fight, in which you were reputed to have large coal-tar interests involved, was another measure repeatedly defeated by an overwhelmingly Republican House of 169 majority, notwithstanding its support by other Cabinet members and its constant reappearance in the House. It was rejected because of the selfish, unjust proposal to give a dye monopoly unlimited license to fleece the public under the cloak of "national defense." Your own desires were understood and quoted contrary to the action of both Houses in the matter.

Again, after the President had refused to accept the special taxes recommended by both House and Senate committees in joint session to finance the soldiers' bonus bill, you insisted upon a consumption or sales tax as a condition for its passage. The exact reason for the Executive's rejection prior to the bill's passage was not explained, but his written recommendation and yours for a sales tax as the only alternative that would be accepted was an administration ultimatum served on Congress.

We had just repealed the excess-profits tax relieving you and other men with large corporate connections of nearly a half billion dollars aggregate corporate tax annually. A reduction of high individual surtaxes to an estimated amount of \$50,000,000—not \$90,000,000 as you urged—had also been placed in the 1921 revenue act, or a combined reduction reaching double any reasonable average demand during the 20 years covered by the bonus bill, according to expert testimony offered the committee.

#### DEFEATING THE VICIOUS SALES TAX.

Both Houses presumably felt that the sales tax urged by you was a vicious tax placed on what both rich and poor ate, wore, and used, not exempted, and that it was an unjust, heavy burden to place on the backs of those who grub to make ends meet, and who were thus asked to bear the rich man's burden of excess profits you had success-



fully urged for repeal. I refer to the vast army you sought to tax, and who have no income tax to pay, but are glad to eke out a bare existence. All of these would help disproportionately to pay your proposed sales tax, whereas if you contribute the income tax you are popularly supposed to pay, as one of the richest men of the world, you would pay into the Treasury, according to Klein's estimates on \$300,000,000 of wealth, an annual tax running well into seven or eight figures. If any evidence of a sales tax failure, due to enforced under-consumption, is desired, then the present French national deficit of 4,000,000,000 francs for 1923 is a warning.

I do not believe in "soaking the rich" because they are rich, but in common with the overwhelming majority who make up the country a belief exists that taxes should be laid according to ability to pay, and this is the teaching of every recognized authority and the history of every prosperous people. Your sales-tax proposal would pinch the poor by taxing their necessities, and was believed to be unjust and vicious in principle and was defeated in committee by a vote of 19 to 5.

Notwithstanding a Republican majority of 167 in the House, I feel sure any vote there would register the same proportion as in the committee against a sales tax, and the same is true of the Senate, notwithstanding your official recommendations to the contrary. Particularly is this true since a would-be sales tax Galilad from Hoosierdom and a genial Canadian sales tax free-excursion conductor from Manhattan will both be absent from our midst next session, due to the vagaries or verdict of voters.

Even letters from the Executive urging several of these measures on Congress failed to sway a membership that, with all due respect to party leaders, still has constitutional duties to perform that can not be abrogated nor responsibility shifted.

Again, another attempted direction of congressional action came on the passage of the so-called soldiers' bonus bill, against which you frequently expressed your violent protest. Five years ago Congress was told by financial interests that the ex-service men now proposed by Congress as beneficiaries were then saving your own hundreds of millions of dollars from German indemnity exactions and that they would never be forgotten.

#### MISREPRESENTING THE BONUS.

You published a letter at the outset last year as Secretary of the Treasury over your own signature that the bonus bill would involve a Government liability of \$185,625,000,000, or eight times the total national debt, and then later explained it was a typographical error of one hundred and eighty-odd billion dollars, which, unfortunately, however, helped prejudice the popular mind against the bill you were so strenuously opposing. Later you gave out statements from your office that the amount involved would be between four and five billion dollars, stated in practically the language later found in the President's veto, and you left an impression with the public mind that it was a present disbursement of that large sum, whereas the amount to be distributed over 20 years was estimated to be a little above \$200,000,000 annually, according to testimony of experts before the committee. A strict imposition of section 220 penalties now by you with surtaxes released would probably more than meet any average annual charge on the Treasury from the bonus bill. Every other allied government has extended similar aid to its ex-soldiers, but ours failed largely through your own activities against the bill.

Your advice to the Executive, consistent with your frequently expressed opposition, resulted in the soldiers' bonus veto, but the sentiment of the House was shown by its vote of 258 to 54 in overriding the Presidential veto and in the Senate by a vote in favor of the bill of 44 to 28, lacking only 4 votes of the necessary two-thirds. In other words, you crucified the hopes of 4,000,000 ex-soldiers, but you will now save enormous plundering profits of Standard Oil, reaching 77½ per cent annually, from tax penalties unless section 220 is invoked, an express provision of statute which I again urge upon you.

#### OPPOSES EXISTING ESTATE TAXES.

Your last statement opposing existing estate taxes was given to the press recently, and your position before our committee frankly opposing the principle of inheritance and gift taxes is well known, notwithstanding Congress long ago enacted an inheritance tax reaching a maximum of 25 per cent, which many Members now believe should be doubled on great fortunes. Again I submit you are opposed to the existing inheritance tax law as a matter of principle, and because of that opposition and prejudice you fail to understand the congressional viewpoint when called on to administer estate tax laws or section 220.

Again your disregard for congressional mandates appears, Mr. Secretary, from my letter of November 13 calling your attention to a published statement in "Investment Opportunities," wherein your official position and private business manipulations were concisely discussed with engaging frankness.

During your own incumbency in office, as stated in other letters, Congress passed the 1921 revenue law, containing section 220, a provision directing your department to impose a penalty of 25 per cent on profits set aside by corporations as surpluses to avoid taxation and not absolutely needed in business. You, and you alone, of all men in the country knew of the enormous surpluses that have been accumulated by great corporations, in some of which you are reputed to have interests, for all these companies were required by law to file secret reports in your office.

#### OPPOSED TO PENALTY LAW BY EXAMPLE.

Investment Opportunities, in a strong plea to investors for Standard Oil stock subscriptions, states on page 1 of November, 1922, issue (vol. 14, No. 11) as follows:

"Andrew Mellon, banker, oil magnate, and capable Secretary of the Treasury, controlling the immensely wealthy Gulf Oil Corporation, led the movement with a 200 per cent stock dividend. The stock jumped from \$400 to \$800. The Rockefellers followed immediately by deciding to distribute the Standard Oil surpluses \* \* \*. Nothing like it has ever happened before—and is unlikely to happen again in a generation." (The orgy of melon cutting.)

Instead of enforcing section 220 of the law passed by Congress in 1921, you are credited by this publication with leading a mad race in melon cutting of secret surpluses. It declares you set the pace that was followed by Rockefeller and all the others. The public had been secretly plundered of upward of a billion dollars in surplus, apart from generous cash dividends, and a great oil monopoly apparently squeezed 77½ per cent in net profits annually from its consumers and laid by over \$475,000,000 in undistributed profits. Investment Opportunities points out when Gulf Oil said the coast was clear no one could interfere to enforce the penalty in section 220 and a swarm of corporation surpluses began to cut their millions from melons.

If this is true regarding your own position, can any more certain disregard for Congress and opposition to its will as expressed by law be cited? An avalanche of votes a few days ago took from the House 150 of the Republican majority. Prior thereto party campaign subscriptions of \$50,000, equally divided between the Mellon family and the Rockefeller family, were announced by the press. If surpluses that in the aggregate might bring to the Treasury in penalties and surtaxes hundreds of millions of dollars are now held immune, the situation presented will be hard for your party associates to explain or defend. Providing you do not care to impose penalties under section 220, you have an easy solution of an embarrassing predicament.

#### WHAT WILL THE HARVEST BE?

I need not again refer to the administration of the Internal Revenue Bureau, wherein a hundred or more millions of dollars in tax refunds under your direction are progressing. The New York Times has an item that will be of interest to Congress and the country. It reads:

"The Journal of Commerce learns from Washington that the pending deficiency appropriation of \$42,000,000 for repaying taxes unlawfully collected is only a beginning \* \* \*. Many times forty millions are undisclosed in tax collections in arrears, which may reach \$500,000,000, according to the Journal's information."

Mr. Secretary, I am informed a rebate of \$16,000,000 to Standard Oil of New Jersey and large refunds to companies with which you are connected have been made. Can any more serious situation be imagined in our public affairs, if so?

The appeal is renewed that notwithstanding your recognized extreme opposition to Congress that you act in accordance with what I believe is the plainly expressed purpose of the law, and that you exact from the enormous accumulations of corporation surplus recently disclosed all penalties provided by section 220.

Very sincerely yours,

JAMES A. FREAR.

#### PRESENT CONDITIONS AND PROPOSED REMEDIES.

I have tried to impress Secretary Mellon with the seriousness of his position when he refuses to impose penalties under section 220. Congress can pass laws, but can not administer; and if Secretary Mellon refuses to enforce a plain mandate it is for those who represent the people to pass laws that he can not ignore. Standard Oil and Steel have been principally discussed because they illustrate the far-reaching power of great monopolies that set prices and extort enormous dividends from the helpless public. If further evidence of their power and profiteering of the people is desired I recommend a reading of evidence offered in my remarks against the ship subsidy in Record of November 25 and of statistics found in speech of Representative MICHAELSON of that same day. Both show the consciousnessless tax refunds, proposed primarily for these two monopolies under the ship subsidy bill reaching many millions of dollars to be taken from the Treasury for more refunds annually. In the following letter proposals are set forth, which if passed retroactively will turn into the Treasury more money from those best able to pay, including the vast army of stock-dividend tax dodgers, than would be collected under the penalty clause. Complete publicity of every tax return and administrative activity has been shown to be absolutely necessary, for publicity would have prevented such an enormous accumulation of surpluses.

The following letter suggests remedies that may profitably be adopted, either entire or in modified form:

WASHINGTON, D. C., November 26, 1922.

HON. ANDREW W. MELLON,  
Secretary United States Treasury Department,  
Washington, D. C.

MY DEAR MR. SECRETARY: In these letters I have tried to present to your attention a few plain facts that will not down. Necessarily they have been hurriedly written in an effort to save you from error and to suggest laws that will curtail extortion and tax evasion.

It has been shown, first, that for 10 years last past one subsidiary Standard Oil company has squeezed out of the American public without its knowledge \$775,000,000 net profits, of which 22 per cent annually was paid in annual cash dividends and 44 per cent annually was covered up in surplus to prevent disclosures, and later by the stock-dividend route escapes the imposition of any Federal tax on individual incomes. The records of your department were not open to the public, but you had full opportunity to know the facts long in advance.

Further, the Standard Oil with its 33 subsidiaries has plundered the American public and laid by approximately a billion dollars in surplus apart from generous 22 per cent annual cash dividends distributed by one company, and that these conditions were known only to the Treasury Department where the records and administration are by law kept secret. Gulf Oil—said to be your own child—aluminum, coal, United States Steel, and doubtless many other melons are also being cut, according to rumor or report, and the public from its own necessities and sacrifices has created every melon for the few who now divide.

You, Mr. Secretary, one of the wealthiest men in the world, identified with many great corporate interests now engaged in the pastime of cutting these melons, are the only man empowered by law to secure any small portion of the Federal tax due from these great surpluses.

#### A RECORD OF OPPOSITION.

You helped repeal the excess profits law with a loss to the Treasury annually, when added to surtax reductions, of approximately a half billion dollars. You opposed any tax on undistributed profits intended to reach such enormous surpluses; you pressed for passage a reduction of one-half of surtax on great incomes; you opposed any inheritance tax or gift tax that would reach gigantic mushroom estates, never before known in history; and you express no opinion against legalized secrecy or concealment of public records by your department. In fact, during your own administration the corporation excess profits tax law has been repealed and a large reduction secured in individual high surtax rates. Large melons that for some reason have been gathering for a decade are now being cut during your administration, and you are publicly proclaimed by investment journals to be a great stock-



dividend beneficiary, and yet you are the only one acquainted with the enormous profits and authorized by law to exact tax penalties under law.

The press gives many columns to a weak New Jersey minister's liaison and only a brief line to a New Jersey monopoly's plundering of millions of people. Those who own and control the press feed a morbid public appetite on things that were but do not reach out against the things that are. A reason may not be hard to find when examining records of press ownership. Your own Treasury press bureau sings your praise nearly every day. Mr. Secretary, generally over a proposed hopeless constitutional amendment you ask Congress and the country to pass, but you ignore present evils that you are alleged to countenance in the melon-cutting field. In other words, a smoke screen, however unintentional, distracts public attention from a live issue in which you have become the central figure.

Recent election returns wiped out nearly all of the 169 Republican majority in the House. The country apparently could see little hope from a party whose officials during and since the war permitted extortionists to plunder or a party whose officials have continued the plundering license and recovered nothing. Knowing a division of power would be hopeless, a Republican majority was returned, but it was manifestly another "vote of protest," like that of two years ago.

I have always been a Republican and, like yourself, have been brought up to believe in certain fundamental principles that my party advocates. My only opponent this year was a Socialist candidate, whose theories do not take into calculation the inherent weakness of human nature. Experience teaches us that the only hope for reformation in official or public evils must come from within the party rather than from without, because greed, selfishness, and money autocracy has ever been bipartisan, and party or partisan lines can not be preserved when coping with such evils.

Parties are political instrumentalities formed to serve the public, but if either branch of Congress or the administration of the law is controlled by a selfish bipartisan, big business combine and no constructive national program is offered to meet the evil, then what party, I ask you, can invite confidence and support in 1922 or 1924?

#### THE PEOPLE CONTRIBUTE EVERY DOLLAR OF PROFIT.

The people are now confronted with the fact that one great corporation by secret plundering has built up an unlimited financial and individual power second to none in the world, and the people from out their necessities have contributed every dollar to that building. Men in a lifetime connected with Standard Oil have gathered in fortunes beyond comprehension. Other companies, separate or interlocking, have run in that same race for money and power. A small group now controls the industrials, the money, and the fortunes of our Government and of many smaller countries on the Western Continent. Feverishly these interests play the game like gamblers at Monte Carlo, without thought of the future or of those they fleece. A training on the stock exchange is a post-graduate course compared with Europe's gambling resort.

In this game the rest of us are insignificant pawns and contributors, however small, and 10,000,000 farmers, who averaged \$186 income in 1921, according to Government reports, have been helpless spectators. They ask why they averaged only \$186 income instead of \$1,860 or more last year, and it is small consolation to them now to learn their meager income through unconscionable extortions has contributed to the vast accumulated surpluses disclosed by Gulf and Standard Oil, steel, aluminum, coal, and other overgrown monopolies.

Five million laborers or more, ranging from experts to nonexperts, who blindly strike for better conditions and yet are impotent, find their own contributions were exacted by the ever-increasing demands of these great monopolies, now engaged in unprecedented melon cutting, that in war and peace have squeezed persistently and relentlessly. The financial press chortles over a \$2,000,000,000 increase in bank deposits, but does not say to whom they belong, nor does it mention how many of the farmers whose average national income reached \$186 were among the depositors standing in line.

Millions of people who have no independent vocation status but who also contributed to selfish big business demands are asking why 2 per cent of the people own 60 per cent of the wealth, according to economists, and what will occur when 1 per cent of the same people own 75 per cent of the wealth with a more complete control of the Government in a vicelike grip.

I make no reference to history or the logical end of undisturbed growth of wealth and power. Common sense and reason are no different now than when Rome and Russia were among the great nations of the world. "Americanism," taught by a "National Security" League, is meaningless pastime when those who contribute to a business propaganda and who represent unlimited wealth and power become a greater liability to general contentment or to peaceful, orderly government than a whole fleet of vessels loaded with wild-eyed Bolsheviks.

#### UNEVEN-HANDED JUSTICE.

I may be old-fashioned concerning notions of even-handed justice, but I wrote you before in letter of October 29 that Justice Stafford, of Washington, had sentenced a boy the day before to 10 years' hard labor for attempting to pick a pocket. In a New York dispatch of November 9, Judge Tuiley is reported to have sentenced Louis Wiley to 15 years' imprisonment for attempting to steal a purse containing 32 cents. Those now trying to escape tax penalties on a \$437,000,000 surplus would require many centuries, reaching back to the Stone Age, if Tuiley was keeper of the Treasury and a proportionate term penalty was imposed. Such efforts are not criminal, of course, but I submit Judge Tuiley might well be transferred from his 32-cent job to the larger field on Fifteenth Street if we are to have a strict imposition of section 220 with which to reduce \$670,000,000 1922 Treasury deficit.

A Newburgh (N. Y.) dispatch of November 13 says that of 438 tons of coal delivered to Highland Falls in the last three months, 353 tons went to J. P. Morgan's estate and 85 tons to the villagers living in Highland Falls. The Fuel Administrator seized the Morgan coal under his war-time powers for general distribution. This brief dispatch is a text for our existing economic system; but if Perkins, the fuel administrator, was Secretary of the Treasury, I feel sure hundreds of millions of dollars in penalties and released surtaxes would be recovered by the Government under section 220, whereas if you were fuel administrator for Highland Falls, Mr. Morgan's 353 tons of coal would remain in his bins.

It would be presumptuous for me to offer any solution of a problem that has grown up in a half century and is a present menace of unprecedented proportions. Neither would I presume to be more than a private, content to serve in the ranks, without ambition to gratify. Modestly I offer suggestions that may not—I fear will not—meet with your approval; but you could perform no greater service for yourself and your country than to join your great wealth, power, and

experience in a movement having for its ultimate aim the equal protection of property and of human rights, and a better, fairer adjustment of conditions that now make for unrest.

I would hold myself blamable if I did not point out what may be a partial remedy for our fiscal troubles, even though you, a great financier, may radically disagree. Ideal government will not be reached until human nature ceases to be selfish, and we will not find any millennium on this earth, but conditions may be improved by a little sacrifice on the part of those who have so enormously profited by the sacrifices of the many, and sooner or later we must all recognize that as parts of the same Government we are all in the same boat.

#### SECRETARY MELLON INDICTS TAX DODGERS.

You, Mr. Secretary, struck a keynote of the evil when you indicted your financial associates and charged them with tax dodging. Your harmless, homeopathic treatment on tax-free securities, of course, is puerile and hopeless of results for years to come, as I have shown heretofore, but it was inspired by your knowledge of enormous tax dodging to-day by wealth.

You have declared it necessary to pass a constitutional amendment to stop the issue of tax-exempt securities. Why? Because men of wealth, your associates and great financiers of the country, have been dodging taxes and have placed their funds in upward of \$10,000,000,000 or more of tax-exempt securities. Billions more are available for investment before any law can check them. They have cleared their decks of all loose cash, and now that they have scuttled the ship you say let us try and stop the holes with a constitutional amendment, which if ever passed and ratified by the States will take many years at the earliest to shape into a plug to stop tax dodging.

Mr. Jules Bache, a New York banker and stockbroker, whose advice through financial journals to Congress and the President is both unsought and unremittant, sums up the tax activities of big business men generally when he stated to the national industrial tax conference: "The taxpayer . . . spends 11 months a year devising schemes by which during the 1 month that he tries to make up his tax statement he can avoid as many of the taxes as is legally possible, and he generally succeeds in avoiding many of them." This confession of universal scheming and tax dodging by such an eminent practitioner and financier as Mr. Bache, supported as it is by your own sweeping indictment of tax-dodging men and methods, presents to Congress its own responsibility for such scandalous tax evasions.

The immediate necessity for adequate legislation is emphasized in order to meet a critical nation-wide general evasion of the income tax law; also to reduce materially an existing Treasury deficit, and finally, in a helpful way, directly to aid big financiers by giving them 11 extra months annually in which to transact legitimate business.

I will say nothing more severe of those who hide behind the Supreme Court stock-dividend decision of 5 to 4 and have consistently dodged taxes in like degree, and possibly to like extent. You defend one under the pretext it is to help business, but why not have a 7½ annual net profit of Standard Oil pay some share of the 44 per cent individual taxes to a Government that has enabled it to make that profit? Why make the American consumer furnish unlimited wealth, that dodges surtaxes, with which to exploit the world?

#### THESE MEASURES WILL STOP TREASURY LEAKS.

The tax administration of the Treasury should not be left discretionary, even if records are made public. The disease needs more heroic treatment if we would save to posterity a country in which every citizen has a vital interest, notwithstanding all its natural resources have been gobbled up by a few monopolies and money kings. Let us in this rebuilding plan—

First. Reenact the corporation excess-profits tax for 1922, fixing a reasonable graduated tax rate to discourage extortion.

Second. Let us place a retroactive graduated tax on undistributed corporation profits to reach large surpluses heretofore accumulated to avoid taxation.

Third. Increase the inheritance tax after reasonable exemptions, and add a gift tax to prevent a menacing money oligarchy.

Fourth. Enact a stock dividend tax law, making such law retroactive, subject to action on the second proposal.

Fifth. Make all tax returns and all tax proceedings public.

Every proposed tax will afford needed legislation to meet existing tax-dodging evils or dangerous economic conditions. Graduated tax rates will prevent injustice to legitimate business, and the country has been so satiated with big-business tax propaganda that it will not be frightened when motives and methods are disclosed.

First. The excess-profits tax is sound and right in principle according to eminent tax authorities. It taxes according to ability to pay. It grants reasonable exemptions (8 per cent), and then reaches the man who would squeeze humanity because he has the tools. The only pretext for its repeal was a claim it hurt business and removed incentive. This is not a vital objection to the farmers of the country, whose incentive is only a livelihood and who made less than \$200 last year on the average. This tax is just and should be reenacted to help reach present profiteering and to compel large profits to pay just taxes because best able to do so.

When Standard Oil on a fictitious capitalization of previous stock dividends exacts 7½ per cent from the 10,000,000 of \$200 a year agriculturists and from 10,000,000 of car users, I believe they would all look with equality while the Government exacted three-fourths of that hard-fisted extortion, if need be, for Government use.

Second. The tax on undistributed profits urged by Secretary Houston at 20 per cent was estimated to produce in 1921 \$690,000,000 in addition to the excess-profits tax returns, as explained in my letter of October 28. Apart from its value as a Government agency with which gradually to shave away \$23,000,000,000 of national indebtedness and a \$670,000,000 revenue deficit in 1922, a tax of that kind would do away with tax-dodging stock dividends by forcing a distribution of any unnecessary surplus. No greater need for this tax can be shown than in announcements this year of \$437,500,000 stock-dividend melons to be cut by big stockholders of a single company, thereby freezing out the little fellows and avoiding surtaxes on profits that are generally paid by abiding citizens from necessity if not from desire.

A graduated tax of from 5 to 20 per cent, depending on the profits, would permit legitimate laying by of surplus for banking and other business needs, and a maximum 20 per cent rate would release large surpluses accumulated to avoid taxes and would protect small stockholders.

#### INHERITANCE TAXES.

Third. A graduated inheritance tax reaching 50 per cent on all amounts over \$30,000,000, and a gift tax graduated to 25 per cent. This is less than extremists advocate. For many years during their lifetime men have built up private fortunes from a few dollars a week to a surplus



reaching hundreds of millions and even billions in a single family. Sometimes it avoids estate taxes by gift distributions before death. A gift tax would reach such evasion. Through consolidations, destruction of competition, railway rebates, profits on fictitious stock, monopoly, and tax evasions they have laid aside more wealth than was conceived to exist in the wildest dreams of a century ago. What is it all for? Only to play the money game, the gamblers declare. They have done this while the vast majority have been struggling for a bare existence. What does it profit that 2 per cent of the men in the country now control 60 per cent of the national wealth? To what purpose is the game played? Every day the world is informed of escapades, divorces, and extravagances of heirs to this wealth; of fortune hunters of foreign titles; American huntresses, whose pot of gold, contributed by the American public, is the price of a title; of inherited wealth that tends to leave arrogance, un-Americanism, and discontent with the heritage, while the concentration of power grows. The country has unwillingly and restlessly accepted a situation that certainly demands correction.

Is it not time, Mr. Secretary, then to do the common-sense thing and say generous exemptions will be allowed to save from want, not work, a chance progeny, but that men who accumulate must after death leave to their Government for its needs an equal share of vast accumulations of wealth over liberal exemptions, of accumulations wrung from their fellow men because of protection by the laws of our Government? Men have avoided tax laws through stock dividends and have invested in tax-free securities, which you denounce. This money or property has been laid away like the miser's gold, sometimes accumulated in a lifetime, often by unscrupulous methods. We can not differentiate with these estates beyond saying a generous exemption free from taxes may first be deducted before the tax applies and then a graduated tax to reach the enormous fortunes that have become all powerful and a menace to the people. Many millions of people have no estate to leave; they fight for existence, and to them this proposal seems liberality personified.

A gift tax to reach gifts made to avoid the inheritance tax, such as was introduced last session in Senate and House, should also be enacted. To the complaint that estates can not be unscrambled in a day it may be answered that is true on the existing maximum 25 per cent tax on estates, and sufficient time to collect the tax should be provided by law.

#### HOW TO REACH STOCK DIVIDENDS.

Fourth. Enact specifically a stock dividend tax law, making it retroactive. The Macumber decision by the Supreme Court (252 U. S. Repts.) arose under a general statute without any direct expression from Congress relative to stock dividends. Five justices there held that stock dividends were nontaxable, and four justices, the balance of the full court, dissented and held them taxable.

Justices Brandeis and Clarke in their dissenting opinion held that the majority decision "would result in limiting taxation to 'the income of the income.'" All dissenting judges subscribed to the proposition that "most people, not lawyers, would suppose when they voted for it (the amendment) that they put the question (stock dividends) at rest \* \* \* the amendment justifies the tax." Again, the dissenting justices said: "If stock dividends representing profits are held exempt from taxation under the sixteenth amendment, the owner of the most successful businesses in America will be able to escape taxation on a large part of what is actually their income. \* \* \* That such a result was intended by the people of the United States when adopting the sixteenth amendment is inconceivable." This opinion of four justices was based on a Standard Oil stock-dividend melon and the reasoning appears to be eminently sound.

One justice on reargument swung his decision against the above principle and held that the will of the people as expressed in the sixteenth amendment to the Constitution was of no effect, but four able justices dissented from the majority decision. Is it probable that the court which has rendered several unpopular decisions by a bare majority of one vote will declare unconstitutional a direct law by Congress expressing specifically the will of the people to tax stock dividends, as declared by the people in the sixteenth amendment and heretofore found to be the law by four justices of the Supreme Court? If so, sufficient unto the day is the evil thereof, for then it will be the right of Congress to say that no act of the House and Senate approved by the President shall be held unconstitutional by a bare majority of one or two justices, and little doubt will be had of the approval of the people to that proposal.

Fifth. I offer no further argument against the income-tax secrecy clause that was retained by the Senate last session only by a vote of 85 to 33. Your own administration, the record of the Internal Revenue Commissioner, the secret accumulation of \$1,000,000,000 surplus by one company known only to your office, the widespread evasion of taxes now disclosed, enormous secret tax refunds reaching hundreds of millions of dollars, also known alone to your office, all are offered without further comment. With these few observations, Mr. Secretary, I leave a subject in which we may differ, but you have no more vital interest than I, because public interest is not measured by dollars. Citizenship and interest in the country's prosperity and perpetuity comes not with wealth. It finds place equally with the humblest citizen, who often is most contented with life if blessed with a mere competence.

It need not be expected that all the proposals, however meritorious, will be enacted into law, nor have I sought to offer any cure-all, but these suggestions if adopted will ultimately reduce the Government's fiscal obligations and will meet a present need for more equitable sharing of tax burdens. Let those who have profited enormously and unduly under our laws give generously (without dodging) from their profits to their Government's support. By so doing they will quiet a growing unrest that can not safely be ignored. There must be proposed a constructive program not found in vague party platform platitudes, and my suggestions are to that end. Other legislation is needed, of course, but after some hesitation I have proposed a means of reducing the evil of high-finance tax dodging that ought also to strengthen and improve our whole fiscal policy.

Very sincerely,

JAMES A. FREAR.

Letters received from Secretary Mellon are offered herewith. In view of an express statute and evidence of stock dividend tax dodging submitted, and of the melon cutting of a 200 per cent Gulf Oil dividend by Mr. Mellon I invite a careful scrutiny of his letters to ascertain what companies he has penalized, what profits he would penalize, or what prospect of law enforcement is suggested by any of his letters which follow. His one plea of

"secrecy" does not apply to his own case, which can with his consent be made public, but it is a cry that ought to be prevented hereafter by the enactment of widest publicity measures. His letters are offered herewith:

THE SECRETARY OF THE TREASURY,  
Washington, October 20, 1922.

MY DEAR CONGRESSMAN: I have your letter of October 16 calling attention to the fact that the Standard Oil Co. of New Jersey has declared a 400 per cent stock dividend on its common stock, and that other companies are declaring various stock dividends. You refer to section 220 of the revenue act of 1921, which you say "provides methods for reaching holders of surplus stock when for the purpose of escaping taxation," and you ask whether this statute (section 220) has been invoked by this department or considered "in the case of any corporations, and whether it has been considered in reaching the surplus earnings held by the Standard Oil Co."

It would seem that you are under a misapprehension concerning the situation as to this so-called stock dividend. Taking, for illustration, the Standard Oil Co. of New Jersey, to which you refer, the holder of its stock, after he has received the new certificates or shares, has altogether no more than he had before, and therefore, so far as the holder is concerned, there is no income to tax. This was aptly expressed by the Supreme Court in *Elsner v. Macumber* (252 U. S. 189) as follows:

"This, however (declaration of a stock dividend), is merely book-keeping that does not affect the aggregate assets of the corporation or its outstanding liabilities; \* \* \* it does not alter the preexisting proportionate interest of any stockholder or increase the intrinsic value of his holding or of the aggregate holdings of the other stockholders as they stood before. The new certificates simply increase the number of the shares with consequent dilution of the value of each share."

Section 220 to which you refer does not apply to the situation relating to these stock increases. It provides that if any corporation is formed or availed of for the purpose of preventing the imposition of the surtax upon its stockholders through the means of permitting its gains and profits to accumulate, there shall be levied a tax of 25 per cent of the amount thereof in addition to the other taxes imposed upon corporations, but it further provides that the fact that the gains and profits are permitted to accumulate and become surplus shall not be considered evidence of the intent to escape the surtax, unless the Commissioner of Internal Revenue certifies that, in his opinion, such accumulation is unreasonable for the purposes of the business. In every case, therefore, it is necessary under the statute that the Commissioner of Internal Revenue determine that the accumulation of the surplus is unreasonable for the purposes of the business before it can be held that the corporation was formed or availed of for the purpose of evading the imposition of surtaxes.

The declaration of a stock dividend is not significant in connection with this section of the statute, nor has it any relation to a determination by the commissioner under section 220. The primary purpose of section 220 is to reach those corporations, the stock of which is usually closely held and the earnings and profits of which are accumulated for the purpose of enabling the shareholders to avoid the payment of surtaxes upon their dividends.

As to the question of the accumulation of surplus by the Standard Oil Co. of New Jersey out of past profits, this company, I believe, had over \$200,000,000 of surplus which was accumulated before the passage of the income tax law in 1913, and the accumulations since that time have been accretions from earnings in addition to dividends declared from year to year; but in all of these years the company was subject to full taxes upon its earnings—some of it under the excess-profits tax and war taxes at the then high prevailing rates. It is not practical in any active business to distribute all the net earnings in dividends to the stockholders, and if part of the earnings were not put back into the business there would be no progress or industrial growth. In the case of this company the Commissioner of Internal Revenue has found no evidence of the accumulation of surplus beyond the reasonable needs of the business.

I have gone into this detail as to the Standard Oil Co. of New Jersey as you make that company the example, but the same principles apply generally, and, so far as this department is concerned, there will be no laxity in invoking the application of section 220 wherever there is any basis for so doing.

Sincerely yours,

A. W. MELLON, Secretary.

HON. JAMES A. FREAR,  
House of Representatives.

THE SECRETARY OF THE TREASURY,  
Washington, November 2, 1922.

HON. JAMES A. FREAR,  
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I have received your several letters of October 23, 26, and 29, 1922, further expressing your views as to the application of section 220 of the revenue act of 1921. I have noted your comments, but find that everything relevant to the issue has already been covered by my letter of October 20, 1922, which stated the attitude of the Treasury toward section 220, particularly as related to the stock dividends declared by the Standard Oil Co. of New Jersey and other companies. As I pointed out there, the declaration of a stock dividend has no significance under section 220, and in any case where the section applies the department can proceed with its enforcement quite as well after as before the declaration of a stock dividend. The Treasury is diligently enforcing section 220, according to its terms, in every case where applicable, but can not, of course, extend the law to cover matters beyond its scope.

Very truly yours,

A. W. MELLON, Secretary.

THE SECRETARY OF THE TREASURY,  
Washington, November 17, 1922.

HON. JAMES FREAR,  
House of Representatives.

MY DEAR CONGRESSMAN: I received your letter of November 12, further commenting on section 220 of the revenue act of 1921 and urging its enforcement to reach surpluses accumulated by the Standard Oil Co. of New Jersey and other corporations.

As I have said before, section 220 applies only to corporations formed or availed of for the purpose of preventing the imposition of the surtax upon the stockholders through the medium of permitting



gains and profits to accumulate instead of being divided or distributed, and it expressly provides that the fact that the gains and profits are in any case permitted to accumulate and become surplus shall not be construed as evidence of a purpose to escape the tax unless the Commissioner of Internal Revenue certifies that in his opinion such accumulation is unreasonable for the purposes of the business. The section does not impose a tax on undistributed profits or on accumulated surplus, as you seem to suggest, but rather puts penalties on the accumulation of gains and profits beyond the reasonable needs of the business when made for the purpose of escaping the surtax. As heretofore stated, the Commissioner of Internal Revenue has found no evidence in the case of the Standard Oil Co. of New Jersey of the accumulation of gains and profits for this purpose beyond the reasonable needs of the business, and there are on the other hand many evidences—as, for example, in the dividend reports of the company—that it had for many years, before there was any income tax, been consistently putting a substantial part of the profits back into the business, and that its dividends since the surtax have been maintained at no less rate. I understand that it has also, within a few years, sold about \$200,000,000 of preferred stock in order to get additional capital to meet the needs of the business. This does not indicate accumulation of gains and profits beyond the reasonable needs of the business, and the same holds true of other companies actively engaged in business whose capital and accumulated surplus take the form of plant, equipment, and inventory with necessary working capital.

You request information as to cases that may have been penalized, but in view of the restrictions imposed by law on the publication of income tax returns and information derived therefrom, I do not feel at liberty to disclose the status of any cases which have arisen under the section.

You will appreciate, of course, that this section, which for the first time imposed a penalty upon the corporation, did not become effective until the taxable year 1921, and that the Bureau of Internal Revenue did not receive the returns for that year until March, 1922, and is only now in the course of examining them. The Commissioner of Internal Revenue has standing instructions to enforce the provisions of section 220 wherever applicable.

As to the statements put out in Wall Street speculative circles, which you quote in your letter, they were evidently intended for stock market purposes and have no bearing on the question of tax administration. To endeavor to answer questions arising from these statements, based as they are so largely on statements from irresponsible sources, would be impossible.

Very truly yours,

A. W. MELLON.

#### A PROPOSAL TO PREVENT TAX DODGING AND REGULATE MONOPOLY.

Mr. Chairman, I have sought in the foregoing correspondence with Secretary Mellon to set forth the dismal failure to enforce the income tax law, due largely to inefficiency or deliberate refusal of officials, and have pointed out tax dodging and tax evasion that must be stopped if we are to keep faith with the people. Methods of evading tax provisions through investments in tax-free securities, stock dividends, and other devices are so numerous and dangerous that Congress must act and act fearlessly if we would carry out the purpose of the sixteenth amendment.

To meet some of these evasions and to curb the unlimited power of wealth I have suggested in my letter to Secretary Mellon of November 26, with brief arguments in their support, several proposals as follows:

First. A reenactment of the corporation excess-profits tax for 1922, fixing a reasonable graduated tax rate to discourage extortion.

Second. A retroactive graduated tax on undistributed corporation profits to reach large surpluses heretofore accumulated to avoid taxation.

Third. Increase of the inheritance tax after reasonable exemptions, and a gift tax to prevent a menacing money oligarchy.

Fourth. Enactment of a stock dividend law, making such law retroactive subject to action that may be had on the second proposal.

Fifth. Publicity of tax returns and all tax proceedings.

To these tax proposals a regulatory act will be submitted herewith, designed to curb monopoly. If part of these proposals can be enacted into law, I submit it will be an improvement over existing tax evasions and lax administration.

Frankly, I am seeking so far as I can to persuade legislators in both House and Senate to make independent investigations, because no cure-all can be recommended, particularly when law will ever be administered by men possessed of ordinary human weaknesses. The income tax law can not be made self-administrative, and the men chosen to administer to-day are generally of big business affiliations and large personal interests. This situation did not exist when John Sherman, author of the Sherman antitrust law, translated from the Senate to the Treasury, was in charge of finances and impressing his antitrust policies upon that department.

#### WHAT POLICY CONTROLS THE TREASURY TO-DAY?

Since the passage of the income tax law it becomes a vital thing for big business or great wealth to control the administration of the tax laws. The extent of this control and its ramifications are far-reaching in and out of the Treasury Department and Internal Revenue Bureau, if statements in my hands are one-half true.

Secretary Mellon, as Secretary of the Treasury, receives \$12,000 yearly from the Government in salary. Mr. Mellon,

the private individual, with \$300,000,000 estimated wealth in the Mellon family, is a different person from the official who acts as Secretary. His annual private income is derived from scores of corporations and presumably reaches in the aggregate many millions of dollars annually and possibly \$50,000 daily.

In other words, Mr. Mellon's personal, private income every day presumably is four times the entire annual income he receives from the Government. What naturally will be his decision where any exercise of judgment is required under the statute? Hardly a section of the statute is not protested by some of the ablest attorneys that can be found, and an organized system of securing refunds reaching hundreds of millions from the Treasury is alleged to exist by ex-employees, sustained by startling evidence. The establishment of precedents, the employment of attorneys, the claimed organized combination between outside and inside interests should be investigated by Congress to ascertain how far secrecy has undermined the public service and robbed the Treasury by alleged improper decisions.

Personally, I believe Secretary Mellon is sincere in his judgment when he is called upon to act, but what man, with his own financial interests constantly before him for decision, can act impartially? Would he act differently providing other large businesses were involved? In the final analysis would his policy in such cases be one of extreme laxity or of strict enforcement? If any doubt occurs, it may be removed by the letters I have offered. Why was he put there and by whom?

Should a judge act in any matter where he is personally or financially concerned?

#### HOW CAN CONGRESS REACH THIS WEAKNESS?

Those who have no political prejudices involved can see little difference in policies of administration between Mr. Mellon or Mr. McAdoo, for illustration. Any President can destroy the effectiveness of the income tax by his Treasury appointee, and, judging results from recent history, there is no possibility of its being strengthened by any gentleman who has been closely connected with big business ventures and has the viewpoint comprehended in Jules Bache's frank statement that the average man of large affairs spends 11 months trying to avoid his income tax and 1 month in preparing his returns to that end.

Not all Secretaries of the Treasury are lax administrators, nor am I assuming to act as a critic excepting to state a tax problem that is serious to-day. Secretary Houston, for illustration, had the public viewpoint. Houston saw large tax evasions through stock dividends and surpluses that section 220 now tries to reach. He took the animal by the horns and asked Congress to pass a tax on undistributed net profits which he estimated would bring \$690,000,000 additional Government revenue for 1921, as I stated in my letter to Mr. Mellon of October 23.

Congress was immediately besieged with lobbyists and propaganda against any such law. The secret records of the Treasury Department then disclosed to Secretary Houston the reasons for that propaganda, due in part to the unconscionable profits of Standard Oil and other companies that were being secretly laid away as surpluses, not to be reached by individual surtaxes. Houston could not disclose the situation to Congress but he did tell us how to protect the Treasury to the extent of \$690,000,000 at that time and we refused to heed the warning or to indorse the taxing principle he urged.

#### TAXES RECOMMENDED IN LETTER OF NOVEMBER 26.

I have suggested in my letter of November 26 to Mr. Mellon that such a tax be adopted but it ought to be graduated from a small rate on small surpluses to the maximum rate of 20 per cent, where large percentages are laid aside. In my letter to Mr. Mellon I have presented a departmental failure and refusal to penalize in any case under section 220, and the only alternative is a specific tax.

If the income tax law proves ineffective through refusal by Congress to cure notorious weaknesses or refusal by political parties to place in the Treasury men who will strictly enforce the law, then the continued efforts by men of large means to escape their just proportion of tax may make a direct issue with the people of a capital tax now seriously pressed for passage in England.

Before discussing that tax or any other proposals beyond what have been suggested in my letter of November 26 to Mr. Mellon, I believe in all fairness it is right to set forth the argument of "wealth" that opposes any income tax or an inheritance tax and urges a substitute sales tax. In these tax policies Secretary Mellon quite generally agrees, as I have shown in my letter to him of November 22.



## "WEALTH'S" CHAMPION.

Men of large business interests, of wealth, and of "brains," as they sometimes style themselves, find a notable champion in "The Things that are Caesar's," or "A Defense of Wealth," sent to every Congressman by G. M. Walker, whose other books on "Railroad Rates and Rebates"; "Measure of Civilization"; "Can We Escape War with Japan?" and similar contributions give an estimate of the scope of his observations and of his judgment.

Of this "Defense of Wealth," Albert J. Beveridge, a one-time senatorial candidate from Indiana, is quoted as saying:

The ablest, clearest, and most entertaining presentation I have read of the nature and function of wealth. It is sound and convincing, as it is brilliant and engaging.

Beveridge addressed many Hoosier audiences in favor of a sales tax with equal enthusiasm, so his judgment may be measured by his viewpoint and results rather than by superlatives.

C. W. Barron, the economist, rises to heights of eulogy when he says of Walker's "Defense of Wealth," "beside it Adam Smith's Wealth of Nations is mud." A Barron-Beveridge one-half per cent dry test, so to speak, can be determined by a few samples submitted. With these encomiums for wealth's champion I quote several extracts from the "Defense," and I suggest that every farmer whose average yearly wage in 1921 was \$186 and every workman whose munificent pay only helps keep the wolf from the door should read this "Defense." Heretofore I had supposed wealth needed no defense, for handsome is as handsome does, and there is wealth and wealth, but this new Galilad defends all wealth with equal vigor.

## WALKER'S BOOK "THE THINGS THAT ARE CAESAR'S."

In his defense of wealth under the above title imperfectly cribbed from the scriptures which Walker also misapplies when quoting the familiar advice of the Master, I find my recollection extends to a portion he forgot to give. In like manner the facts surrounding the quotation are recalled. When the coin of the realm representing Caesar's government was offered to trick the Master into an expression against Caesar, the wisest of them all replied: "Render unto Caesar the things that are Caesar's and unto the Lord the things that are the Lord's." The two governments—temporal and spiritual—were comprehended in that reply.

It requires a perverted vision like a perverted title to see in Rockefeller, our Republic, in Carnegie, our Constitution, and in Guggenheimer, our Government. This novel defense of wealth is a reminder of another incident, however, also found in Biblical lore, where the same Master chased the money changers out of the temple. He would need several regiments to accomplish that job during the present period. Caesar's coin of to-day has the imprint of the Goddess of Liberty with the familiar words "In God we trust." This sentiment seems strangely distorted into a notice of "heads I win and tails you lose" when that coin reaches the hands of Walker's clients, from whom once gripped it rarely departs. The modern world has progressed since the day when Rome and the Caesars went out of business because of conditions that are well to recall in this day and age and any efforts of the new champion of wealth to confuse our Government with his clients will find little sympathy from those who play a part, however small.

Walker sums up his conclusions on page 33 of his book when he says:

It has not been "labor" that has produced the wealth of the past 150 years but brains. It is not labor in the physical sense that is producing the wealth to-day but brains, etc.

The capitalization of brains in print and in business is given a conspicuous place in the succeeding pages. "Brains" did the business, he professes to show.

Incidentally he does not waste any time on the hundreds of university presidents and hundreds of thousands of teachers, many of whom are popularly supposed to have brains. Neither does he pause to mention a hundred thousand or more ministers of the Gospel, scientists, and men who have given their lives to humanity, many of whom do not annually draw one-fiftieth part of Secretary Mellon's \$50,000 estimated daily income. Yet popularly they are assumed to possess brains.

Remembering Walker is discussing wealth, to the exclusion of labor and of brains that have not accumulated wealth, it is proper to give brief study to some pungent paragraphs that Beveridge says are sound and convincing, and Barron says make Adam's treatise look like "mud"—a substance from which Adam originally was made, according to high authority.

## "A WAXING MAMMONISM" A PRESENT MENACE.

Walker proceeds to demolish the president of Cornell University, on page 34 of the defense, and quotes this eminent educator as saying:

To get and to have is not only the motto of the market but of the altar and of the hearth. We are coming to measure man—man with his heart and mind and soul—in terms of mere acquisition and possessions. A waning Christianity and a waxing mammonism are the twin specters of our age.

Concise but inelegantly answering the remarks quoted, Walker says, in effect, "tain't so." And Beveridge says Walker is brilliant, and Barron says all others are "mud."

Again quoting on page 33, Walker's defense says:

A prominent divine recently declared that "One-half of the wealth of the United States is controlled by about 1 per cent of the American people, and that is unjust. \* \* \* There is a just discontent among the people with the present order of things, and the country's great wealth should be distributed more among the many that contributed to make it. \* \* \* This is the question that must be settled by the intelligent men of the country."

Walker's defense says the "crux" of the problem is contained in the last sentence. And from that he deduces that "100,000" who have brains and wealth combined are to settle the matter for the remaining "99,000,000." Several of the latter, it is fair to assume, have "brains," have "education," have practiced "thrift" and "long hours," all of which requisites are noted by Walker to be possessed by wealth.

There are rich honest men, and there are gamblers who make a bare existence playing poker, and there are gamblers of no better education, thrift, or brains who play the stock market and take gamblers' chances who count themselves among Walker's select 100,000 that finally reach the blue-blooded inner circle financial 400. There is a Standard Oil that extorts 77½ per cent annual dividends from helpless men and women—aided by "brains," according to wealth's defense. Captain Kidd or Jesse James also had brains and were temporarily prosperous, but why offer further evidence to aid Walker's ingenuous defense?

## HOW UNITED STATES STEEL STOCK WAS WATERED 200 PER CENT.

Mr. Walker defends about every monopoly proposition that has squeezed the American public in the past, but his view of business ethics and his test of brains is illustrated in a defense of the J. P. Morgan steel consolidation. I quote at some length. He says:

It is said that Mr. Carnegie was willing to sell his entire steel business for \$100,000,000. This happens to be true. But it is then stated that the option falling through that Mr. Morgan offered to pay Mr. Carnegie \$300,000,000 in 5 per cent bonds, and that because of this watering of the Carnegie holding in steel the people of this country must continue to pay \$15,000,000 a year to Carnegie and his heirs forever.

Now, this second statement deliberately implies that the people of this country were not paying Mr. Carnegie anything at the time he was willing to sell for \$100,000,000, but the truth was that Mr. Carnegie was and had been for some time getting a profit of more than \$15,000,000 a year out of his steel business, but because of competition and the danger of overproduction the business was more or less hazardous, so Mr. Carnegie was entirely willing to sell his holdings in the steel business on a 15 per cent basis.

But those who knew Mr. Carnegie very naturally believed that if he had \$100,000,000 in cash he would probably go back in the steel business, as it was the only business he knew, and it was then that Mr. Morgan conceived the idea of getting Mr. Carnegie to retire by giving him securities, the income on which would assure him \$15,000,000 a year, the same as he had been getting out of the business before, with the distinct understanding that Mr. Carnegie would retire and would not reengage in the steel business. The facts are that Mr. Carnegie has been getting \$15,000,000 a year out of the business for years, but the \$15,000,000 has not been capitalized. Instead of the United States Steel Corporation imposing one dollar of additional tribute upon the users of steel in the United States, it merely assured to Mr. Carnegie upon his retiring the same income that he had been getting for years.

It has been charged that Andrew Carnegie gave the world nothing in return for \$250,000,000 of bonds given him for his development of the steel business, but the truth is that when Carnegie began the development of the steel business iron rails were selling in this country for \$130 a ton, and most of them were imported from England at that price. When Carnegie retired from the steel business he had reduced the cost of rails from \$130 per ton for iron rails to \$22 a ton for steel rails.

Walker's defense of the Carnegie deal that put a \$200,000,000 extra steel burden on the American public may be read in connection with a recent report of profits on this kind of a watered capitalization. A \$500,000,000 stock dividend is about to be declared, according to the press, by the same steel company, all of which half billion dollars the American public has paid in addition to extortionate profits on watered stock.

The concluding sentence of Walker's defense is worthy of thought when he deduces that the country owes Carnegie its thanks for reducing steel rails from \$130 to \$22 a ton. Walker does not show how much steel rails were reduced before or after Carnegie had pocketed the extra \$200,000,000 to stay out of the business, nor what Carnegie did voluntarily to reduce prices. Nor is it clear that Carnegie was not forced to reduce steel prices to \$22 because of home competition then still existing on steel production or because of foreign steel prices that sought American markets after paying a high protective tariff duty.



## SHERLOCK WALKER, THE DEFECTIVE DETECTIVE.

Walker, who reflects the views of many others, finds one great cause for poverty lies in the lack of judgment and poor skill in buying. He states this so learnedly that I can but quote from page 48:

The poor do not buy by the ton or even by the half ton, but by the bag, the bushel, the pail, and, thinking to be economical, they buy the very poorest quality of coal and pay the small dealer, who delivers it to them by the bag or pail, at a rate that is often as much as 300 per cent above the ton price.

This is a distressing picture, but it is worthy of notice that the whole penalty of poverty is due to the woeful ignorance of the individuals, who suffer so as the result of their ignorance, and that in nothing that they do in wasting their money do the rich or near-rich profit.

Out of the length and breadth of Walker's experience he thus explains the lack of brains found in the \$186 annual income farmer or the 5,000,000 unemployed of last year or the vast army of workmen who find any wage increase remains below its purchasing power before the war. In the face of such a defense of wealth what need be said?

## WALKER ON PRESIDENT ROOSEVELT.

Walker's brain, that challenges the admiration of Barron-Beveridge, causes him to say on page 52:

President Roosevelt delivered an address before the students at Harvard, in which he railed at the men who did not do real work. Astonishing, for there was probably no man ever lived who knew less than Roosevelt the meaning of real work. It is doubtful if he ever earned a dollar in his life by physical toil or by the construction of anything. He never earned a dollar in his life in commerce or business of any kind and, dying, there is not a spot on earth that shows a dollar's worth of improvement or betterment that he produced.

If Roosevelt could arise and confront his old Indiana lieutenant Beveridge to-day, what would he say in his frank, terse way?

An advertisement for this unique book in defense of wealth, with recommendations of the Barron-Beveridge combination, will be found in the Evening Star of November 14 in the next column and in immediate juxtaposition to a large advertisement of Gulf Oil, that was charged with leading the melon-cutting contest inaugurated by Secretary Mellon.

## WALKER AND WEALTH ON WAGE REDUCTION.

Another gem evolved by this defender of wealth reflects the effervescence of a brain test that gets past. Denouncing a raise of \$400 per year to railway employees, which did not meet the average increase in nation-wide living costs, according to reputable authority, Walker says, page 105:

Now, if the \$400 a year increased wages to each railroad employee had been made possible by some extra efficiency on the part of these employees or by some increased service to the rest of us, there would be some excuse for the raise of wages, but when it has been clearly shown that the increase in wages was granted to the railroad employees in response to a blackmailing threat on their part that they would deprive us of railroad service and when, as has been demonstrated, the increase in wages has resulted only in additional demands and threats and in decreased efficiency and less train service, then the rest of us have a right not only to demand that the wages be reduced to where they were before, but that they be reduced still lower to the point where they are no more than equivalent for the service that these railroad employees are grudgingly rendering to the rest of us.

Walker makes his demands for a wage reduction in the name of "the rest of us." Again, on page 129, Walker mourns because wealth can not find much to develop longer in this country not already well covered, but he sees hope from the fact that "far from discouraging the creation and accumulation of wealth, we must increase it and turn our surplus, our capital, to the developing of China as our own country has developed; to the development of Australia; to the development of Africa and South America."

From my letters to Secretary Mellon, Walker might also add, send our Army and Navy to protect Standard Oil's exploitations in Mesopotamia and Mexico and Central America and the Fiji Islands, and among the wild tribes of untamed Timbuctoo.

Reading, pipe dreaming, and believing that such stuff will be accepted by the American people, organized wealth continues unconscionable extortion, evidenced by the New Jersey Standard Oil's report of 775 per cent in 10 years. Such brain storms will not be accepted at 100 per cent value by the people who make laws under which wealth finds its protection.

## PRESENT-DAY PROFITEERING ON THE GOVERNMENT.

The brains of big business had a hard strain when the Government, on top of a 400 per cent stock dividend and 220 per cent cash dividend to the New Jersey company, on November 14, this year, made an oil contract quoted by the Star of that date as follows:

Contracts for 10,000,000 barrels of fuel oil to be delivered by the Standard Oil Co. of New Jersey and 1,000,000 barrels to be delivered by the Texas company were awarded to-day by the Shipping Board. The prices fixed represent about 50 cents a barrel more than that paid in

the last previous purchase. It is understood that the Standard Oil Co. of New Jersey in fulfilling its contract will secure the oil from California fields instead of from Mexico, as in the past.

Does it not seem criminally wrong that after giving away practically all our oil fields to Standard Oil and other oil companies, and on top of their extortionate profits in the past we now note an increase of 30 per cent on the average price to be paid by the Government to that company, or 50 cents more per barrel, with a nest egg of \$5,500,000 increased profit paid by a Government Shipping Board, that is the last word in wasted public moneys?

Let me not appear in the rôle of a critic of men whom Roosevelt many years ago termed "malefactors of wealth." I am asking that such men do what Congress decrees by law the rest of the country must do, viz, pay their income taxes. Facts have been presented showing a flagrant violation of law, and the administrative officer, Secretary Mellon, refuses to impose the law.

More serious, Mr. Mellon is charged with starting the whole unprecedented melon-cutting race of surpluses that were secretly piled up for years, which facts were shown by the Treasury files and were known to Secretary Mellon alone.

Walker's "Defense of Wealth," from which I have briefly quoted, answers itself, but others have spoken on the same subject in such a comprehensive way that I rest the case with recognized authorities, headed by Roosevelt, while Walker's specious pleading in his quoted criticism of Roosevelt is a sufficient answer to his whole "Defense." Only one thing was needed to make a well-rounded indictment of the viewpoint of wealth, and that comes with its indorsement by such conspicuous worshippers of wealth as the Barron-Beveridge combination.

## INDIVIDUAL WEALTH ONE THOUSAND TIMES THAT OF CROESUS.

Herewith is Klein's published estimate of a hundred or more of the richest families in the country. Its accuracy is not vouched for, but to a large extent it finds some verification in listed investments of these people. Neither is it suggested that possession of money, however large, under existing law or proposed law is improper:

Rockefeller (John D.), \$2,500,000,000.  
Astor, Du Pont, Guggenheim, Vanderbilt, \$500,000,000 each.  
Harkness, \$400,000,000.  
Mellon, Pratt, Weyerhaeuser, \$300,000,000 each.  
Armour, Ford, Goetz, Morgan, Payne-Whitney, Rockefeller (William), \$200,000,000 each.  
Baker, Brady, Carnegie, Clark, Field, Frick, Gould, Harriman, Hill, Swift, Taylor-Pyne, \$150,000,000 each.  
Berwind, Blair, Converse, Dodge, Flagler, Green, Heckscher, Kahn, McCormick, Penfield, Phipps, Ryan, Stotesbury, Widener, \$100,000,000 each.  
Dodge, Doheny, Drexel-Biddle, Duke, Ehret, Grace, Hearst, Huntington, James, Kennedy-Tod, Mills-Reid, Rogers, Rhineland, Roebing, Schiff, Stephenson, Stillman, Warburg, Warden-Bodine, Wendel, \$75,000,000 each.  
Agassiz, Altman, Appleby, Arbuckle, Archbold, Bedford, Belmont, Billings, Bingham, Bostwick, Bourne, Brewster, Brokaw, Brown, Busch, Chapin, Childs, Cochran, Colt, Coffin, Corey, Coxe, Crocker, Cudahy, Davis-Elkins, Deering, De Lamar, Doherty, Dolan, Dollar, Durant, Eastman, Edenborn, Elkins, Fair, Gerry, Haggin, Hanna, Havemeyer, Hayden, Higgins, Houston, Iselin, Jennings, Keith, Leeds, Lewisohn, Mackay, Macy, Maderia, McLean-Walsh, Miller, Ledyard, Moore, Morris, Oliver, Pabst, Peabody, Phelps, Pierce, Plant, Pullman, Pulitzer, Ream, Rosenwald, Sage, Schwab, Seranton, Sayles, Sears, Severance, Sewell, Shaw, Sinclair, Smith, Spreckels, Tilford, Untermyer, Walker, Watson, Watt, Whitney, Yawkey, \$50,000,000 each.

If half true in fact, does it not seem a proper case for a higher estate tax?

The average small business man would be grateful for a thousandth part of the \$50,000,000 average wealth of the last group, and to a majority of the people one ten-thousandth part would be wealth itself. If 100 families can hold this enormous wealth to-day, what will be the record a half century hence unless the Government exercises some control?

I do not express any personal opinion on the subject beyond what appears in my letters to Mr. Mellon, but I quote briefly from several men what they think of unlimited wealth and its menace.

## EMINENT AUTHORITY ON NEED TO LIMIT WEALTH.

President Theodore Roosevelt, October, 1906, said:

As a matter of personal conviction, without pretending to discuss the details or formulate a system, I feel that we shall ultimately have to consider the adoption of some such scheme as that of a progressive tax on the fortunes beyond a certain amount, either given in life or devised or bequeathed beyond death to the individual—a tax so framed as to put it out of the power of the owner of one of those enormous fortunes to hand over more than a certain amount to an individual.

Who would the average American follow, the Roosevelt of 1906 or Mellon of 1922?

John Wanamaker, June, 1921, said:

No man ought to pile up money when there is no such need for it in the world. He can not take it with him beyond the grave. We have got to get nearer to God—with less Christianity and more of the real thing.



Take your choice between Wanamaker, the man of wealth, and Walker, the sycophant.

Dr. Frank Crane, a philosopher and man of "brains," says:

Mr. Rockefeller proves that it is possible under modern economic conditions for wealth to concentrate into the hands of a few. Are we going to allow that tendency to go unrestrained? Is Government ever justified in limiting the wealth of its citizens? If one suggests the limiting of private fortunes, is he necessarily an anarchist, an upsetter, or a dangerous radical?

Walker thinks so, Doctor; and Walker says he speaks for "wealth."

Mr. Hearst, in condemning contributions by Rockefeller and Carnegie to the so-called National Security League, said in 1919: "Congress should end this dollar despotism." I am informed Hearst has urged a 50 per cent tax on all inheritances over \$20,000,000. Let me modestly recall that the exposition of the \$600,000 "league" fund was brought about by my own resolution and its advocacy in the House.

Even Andrew Carnegie is reputed to have said in *The Gospel of Wealth*:

The almighty dollar bequeathed to children is an almighty curse. No man has a right to handicap his son with such a burden as great wealth.

When conscience gets to work possibly no man has a moral right to exact \$200,000,000 from watered steel stock, as defended by Walker, but that is another story.

I could quote reputable authorities to the effect that "A private fortune of \$50,000,000 is a menace to the Republic"; that is, if Joseph Pulitzer, whose fortune approached that figure, was a good judge. Why, \$50,000,000—and what would Pulitzer say to Rockefeller's fifty times fifty million?

We know how to curb great wealth. Will we do it sanely, justly, intelligently, or will we blindly be afraid of being called what Crane terms "dangerous radicals," only to realize that some day will occur an inevitable smash, in which all, both rich and poor, may be involved?

#### ENGLAND AND A CAPITAL TAX.

A few days ago in England occurred an election, in which the Labor Party made gains before the British electorate of 85 per cent, or from 76 members to 141 members in the House of Commons. The principal issue there involved the imposition of a capital tax in addition to other heavy taxes now laid on England's wealth, reaching 40 per cent on inheritance alone. They have no sales tax in England, which was urged by our President to finance a soldiers' bonus bill, although England gave a bonus to its soldiers long ago. Labor asks for a capital tax in England, and if space permitted I could quote from F. W. Pethick Lawrence and A. C. Pigeon, M. A., professor of political economy, University of Cambridge, not an anarchist, and others, all tending to show that a capital tax, in their judgment, is both just and workable. It is based on the same principle as the estate tax, and although somewhat drastic in its immediate effect and not easily avoided, it is a final resort where great needs or great emergency demands.

Shaw, the writer and dramatist, says a capital tax is inevitable.

Even the staid *New Statesmen* (London), volume 19, No. 473, says in a leading editorial:

We have never been very enthusiastic supporters of a capital tax, but the trend of events suggests that it will have to come. The initiative, however, must come not from labor but from capital. A capital levy should promote productivity, and, after all, that is the only true measure of any nation's wealth and prosperity.

Many other reputable authorities could be quoted.

I do not and never have advocated a capital tax, but as between that kind of a tax and a consumption or sales tax there can be no doubt where the people of this country will stand. The capital tax is a taxing measure advocated in England by a considerable number of people, some of whom presumably possess what Walker terms "brains." In this country, with its reputed 20,000 millionaires, many of whom were war profiteering multimillionaires, is it a far cry from an extortionate net profit of 775 per cent by New Jersey Standard Oil in 10 years, or 77½ per cent annual net profit, and a 400 per cent tax-dodging stock dividend, to a stiff capital tax?

Adoption of tax proposals contained in my letter to Secretary Mellon of November 26 will tend to avoid any agitation by "rationals" or "radicals" for a capital tax, but notorious efforts to dodge and evade the present law after throwing every obstacle in the way of its passage will not quiet the present feeling of resentment against tax evasions.

#### HOW TO CONTROL MONOPOLY.

It is not a far step from the field of taxation of men and corporations to the control of wealth and monopoly urged by some of the authorities I have quoted. Due to a variety of causes, including our corporation laws, patent laws, seizure of natural resources, throttling of competition, railway rebates,

and the natural cupidity of men supplemented with what Walker terms "brains," society recognizes monopoly has acquired a strangle hold on many activities of industry, and the only limitation in power and profits depends on a moderate fear of public resentment. Standard Oil of New Jersey, with 10 years' average net profits of 77½ per cent annually, is one example of how "moderate" the fear has become while accumulating \$775,000,000 profits for this one company.

The Sherman antitrust law was passed to dissolve the units of that same oil monopoly and restore competition. How far that law was successful is shown by the Supreme Court's decision which supported the law but never "unscrambled the eggs" of the Standard Oil monopoly. Competition, of course, did not result and the 33 Standard Oil units are as much a part of the parent concern to-day as ever, while the monopoly found by the court to exist many years ago still flourishes like a mushroom, unchallenged and unlimited. What are you going to do about it?

The Armour Packing Co. asks the Attorney General if it can combine with other companies that maintain substantially the same production prices. A few days ago the Steel Corporation asked the same question and obtained the Attorney General's sanction, but was refused indorsement by the Federal Trade Commission because it aided monopoly. In other words, big business claims to be battered around from pillar to post in order to maintain a fictitious competition which was destroyed when price agreements became general.

It may be presumptuous to suggest any solution where monopoly notoriously exists and competition has ceased, while we cling to the husks of the Sherman antitrust law. What can be done to stop the squeezing of unconscionable profits by monopolies like the Standard Oil, with its 77½ per cent annual net profits; Atlantic Standard Oil, with 900 per cent surplus profits; United States Steel, with its half billion surplus on watered stock and Pittsburgh plus; packers' combine, and so forth. How protect the little fellow used as a foil, and yet put business on a right basis?

Where the patient's life and health depend on arresting a fatal cancerous growth that destroys all other life within its path, then the surgeon acts, leaving recuperation to sane, intelligent nursing and careful treatment. The patient here is the patient public.

#### CONTROL MONOPOLIES LIKE RAILWAYS.

Control of railway rates by States and by the Government was vigorously fought and opposed for many years until the doctrine of reasonable freight rates and regulation was enunciated by the courts on every question presented, and thereafter State commissions and the Interstate Commerce Commission took over the duties of rate making and service control. During that period men favoring Government railway control were termed "agitators," "radicals," "socialists," and dangerous to society. The railways then varied largely in earnings, valuation, and other factors considered in rate making, but all these difficulties were met and surmounted by legislation and administration under strict Government regulation of service and profits.

The roads were no more a monopoly then than are many industries to-day, and it is as useless to seek separation or dissolution of a monopoly of one class of business now, as of railroads then, because no competition exists with monopoly. Every situation where competition has disappeared and prices and profits lie in the hands of a central agency should be met by Government price control and regulation, and if any constitutional or statutory authority is required to place monopolies under close control as to profits, service, and needed limitations, it is reasonably certain that the American people who pay the bills that make the profits will afford all needed legislation.

I need not justify by innumerable precedents, but the Ball Rent Act was passed by Congress to control sporadic District profiteering; the fuel, packer, and other similar acts, including control of gas, water, insurance, transportation, and utilities generally, have been comparatively of recent date. We are now faced on every hand by unrestricted profiteering when big business prophesies increasing prices will follow, governed only by the limits of human cupidity. Public interests are involved when Standard Oil, on top of a 77½ per cent annual profit, increases its extortionate profits by charging the Government 30 per cent more in November, 1922, for fuel oil, in the case I have previously cited. To this may be added enormous profits and tax rebates reaching many additional millions if the pending Standard Oil ship subsidy bill becomes a law.

Control of monopoly is founded on a well-grounded principle that can not be nibbled at spasmodically. It is a right that must be firmly fixed for all time by adequate law, and a bill to that end is submitted for consideration.



## A MONOPOLY CONTROL COMMISSION.

Commissions of the type of the Interstate Commerce, Federal Trade, and Tariff Commission have paved the way for a comprehensive governmental body that can gradually work out restrictions, limitations, and an assurance of reasonable profits far below 77½ per cent, or, say, nearer one-tenth of that rate, on the capital invested or whatever plan is decided upon. I believe this, briefly stated, is a solution to the monopoly problem that must be solved.

The plan does not contemplate having the Government muddle the business by attempted management nor does it prevent consolidations which might then be permitted where now a prohibitory antitrust law weakly seeks to prevent what we know exists, and will continue to exist, for competition vanishes with monopoly. The fundamental right to control and regulate by the Government exists and it is well to act intelligently—not by smashing industries but by sane, effective regulation.

Briefly and with some diffidence I have sought to point out recognized weaknesses in our economic system and to suggest tax legislation and other means of remedying conditions. Any plan or proposal is certain to provoke opposition and criticism, as ever in the past, but the sooner the problem is squarely faced and justly solved the earlier will we enjoy solid economic prosperity that will be a real and not a reflected benefit to the general public.

## WHAT WILL WE DO ABOUT IT?

Wall Street reports say 54 corporations within the last 30 days have declared a distribution of surplus earnings in the form of stock dividends that will escape surtaxes to the amount of \$1,200,000,000. More stock dividends are promised, including United States Steel, that is said to have \$500,000,000 surplus waiting distribution by the stock-dividend route and based on a watered capitalization. This stupendous amount of profits is in addition to past cash dividends paid on stock.

The evidence of enormous profiteering disclosed within 90 days calls for specific legislation that will control prices and service where a monopoly or price agreement to prevent competition is found to exist and will make all public records public in fact. These exactions by monopoly have occurred under the Sherman antitrust law that is notoriously ineffective.

We can not longer blind ourselves to conditions, and I have offered a proposed control bill that speaks for itself. No corporation and no interest not engaged in open or secret price fixing or monopoly need fear such proposal if enacted into law, and it is offered for the protection of over a hundred million people who to-day are common prey for profiteering interests like those disclosed in the Mellon correspondence.

The proposed bill (H. R. 13091) is as follows:

## A BILL TO CONTROL MONOPOLIES.

*Be it enacted, etc.,* That a commission is hereby created, to be known as the monopoly control commission, and hereinafter referred to as the commission. The commission shall be composed of nine commissioners, to be appointed by the President, by and with the advice and consent of the Senate; said commission shall annually elect one of its members as chairman and one as vice chairman.

The first commissioners shall continue in office for terms of 2, 3, 4, 5, 6, 7, 8, 9, and 10 years, respectively, from the date of their appointment, the term of each to be designated by the President, but their successors shall be appointed for terms of 10 years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds.

The commissioners shall be appointed with due regard to their fitness for the efficient discharge of the duties imposed on them by this act and to a fair representation of the geographical division of the country. Not more than six of the commissioners shall be appointed from the same political party. No commissioner shall engage in any other business, vocation, or employment. Any commissioner may be removed at any time by joint resolution of Congress after notice and hearing when, in the judgment of Congress, such commissioner has become permanently incapacitated or has been inefficient or guilty of neglect of duty or of malfeasance in office or of any felony or conduct involving moral turpitude, and for no other cause and in no other manner except by impeachment: *Provided, however,* That not more than two removals shall be made by joint resolution during any regular or special session of Congress. A vacancy in the commission shall not impair the right of the remaining members of the commission to exercise all its powers. The commission shall have an official seal, which shall be judicially noticed.

[NOTE.—The above section has been adapted from the Shipping Board act of September 7, 1916 (39 Stat. 729, sec. 3), and the Budget act of June 10, 1921 (42 Stat. 24, sec. 303).]

SEC. 2. That each commissioner shall receive a salary of \$10,000 a year, payable in the same manner as the salaries of the judges of the courts of the United States. The commission shall appoint a secretary, who shall receive a salary of \$6,000 a year, payable in like manner; and it shall have authority to employ and fix the compensation of such attorneys, special experts, examiners, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress.

With the exception of the secretary, a clerk to each commissioner, the attorneys, and such special experts and examiners as the commission may from time to time find necessary for the conduct of its work, all employees of the commission shall be a part of the classified civil service, and shall enter the service under such rules and regulations as may be prescribed by the commission and by the Civil Service Commission.

All of the expenses of the commission, including all necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making any investigation, or upon official business in any other places than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the commission.

[NOTE.—The above section has been adapted from the Federal Trade Commission act of September 26, 1914 (38 Stat. 718, sec. 2).]

SEC. 3. (a) That the words "interstate commerce" as used in this act shall be construed to mean commerce between any State, Territory, or possession, or the District of Columbia and any place outside thereof; or between points within the same State, Territory, or possession, or the District of Columbia but through any place outside thereof; or wholly within any Territory or possession or the District of Columbia.

(b) That combinations or conspiracies to monopolize the sale or fix the price of any commodity or commodities in interstate commerce are declared to be affected with a national public interest and subject to regulation as hereinafter provided.

(c) That it shall be the duty of the commission, either on petition by any person, firm, corporation, or other association or organization, or on its own motion, to investigate and determine whether or not any person, firm, or corporation, or any combination or association of persons, firms, or corporations, is engaging or attempting to engage in any of the practices mentioned in subdivision (b) above.

(d) That the commission shall, before making any determination under subdivision (c) above, give notice to each person, firm, corporation, or association whose practices are to be investigated, and shall give a full hearing to all interested parties.

## THE MEAT IN THE COCONUT.

(e) That if the commission shall, after a full hearing as provided in subdivision (d) above, determine that any practices investigated constitute a monopoly, or an attempt to create a monopoly, or a fixing of prices, or an attempt to fix prices, with respect to any commodity or commodities in interstate commerce, it shall make public declaration to that effect.

(f) That after a declaration has been made by the commission, as provided in subdivision (e) above, that there is a monopoly or price fixing agreement, or attempt to create a monopoly, or to fix prices by open or secret agreement, with respect to any commodity or commodities in interstate commerce, the commission shall thereupon and thereafter be authorized to issue an order prescribing the maximum price which may be charged for such commodity or commodities in interstate commerce, and may further order any improvement and change in service for the public benefit that may be found to be necessary. Such order may apply to the United States and its possessions as a whole, or within any specified part or parts thereof, according as the commission may determine.

(g) That the commission may at any time, after a hearing similar to that prescribed in subdivision (d) above, determine that conditions of monopoly or attempted price fixing no longer exist with respect to any commodity, and in case of such determination shall rescind its order fixing a maximum price for such commodity; or the commission may, after a like hearing, modify its order by increasing or reducing the maximum price previously fixed by it, or increasing or diminishing the area with respect to which such order shall apply.

(h) That no declaration or order shall be made by the commission, under any provision of this section, unless the same is concurred in by at least five commissioners and at least two-thirds of the commissioners voting. No such order shall take effect until it has been published once a week for three weeks in a newspaper in each of two cities within the area affected, and the commission is hereby authorized and directed to provide for such publication of all its declarations and orders. A majority less than two-thirds may determine what investigations shall be taken up by the commission at any time and may adopt rules and regulations in regard to procedure and the conduct of business not inconsistent with the provisions of this section.

## APPEALS.

(i) That every order made by the commission under the provisions of this section shall be final and conclusive, unless within 60 days after the first publication of such order any person, firm, or corporation affected by such order files with the circuit court of appeals for the circuit in which he has his principal place of business a written petition praying that the order be set aside or modified in the manner stated in the petition, together with a bond conditioned that if the finding of the commission is sustained by the final court to which appeal is made that then there shall be paid to the Secretary of the Treasury an amount fixed in the bond of at least double the difference between the price of the commodity or commodities covered by the decision as charged by the corporation or corporations immediately prior to the commission's decision and the price thereafter fixed by the commission, to be based on the total sales of such commodities by such corporation or firm as named in subdivision (c) for one year immediately prior to such decision. And the judgment of the court of the amount to be named in such bond shall not be subject to appeal.

That if final decision by the court is not reached within one year from notice of appeal, then a further and additional bond shall be filed immediately by the appellant of like character and amount, to be determined in like manner by the court, and failure to file any bond at the time provided by law shall automatically place in effect the price schedule theretofore determined by the commission. That if any needless delay in bringing such cause to trial or final hearing is alleged by the commission or any member thereof and on public hearing on 10 days' notice found by the court to be true, then the bond or bonds immediately shall become due and payable and judgment of forfeiture shall be rendered thereon by the court without right of review or appeal, and the price schedule fixed by the commission shall thereupon automatically be in force without further notice. Such bond shall further provide that the petitioner will pay the costs of the proceedings if the court so directs. The clerk of the court shall, upon filing of the bond and petition, immediately cause a copy of the petition to be delivered to the commission, and the commission shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record of the proceedings before the commission. The evidence so certified and filed shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way. The court may affirm, modify, or set aside the order of the commission. The decree of the court shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari, as provided in section 240 of the



Judicial Code, if such writ is duly applied for within 60 days after entry of the decree. For the purposes of this subsection the term "circuit court of appeals," in case the principal place of business of the petitioner is in the District of Columbia, means the Court of Appeals of the District of Columbia.

#### PENALTY.

(k) Any person, firm, or corporation who sells or offers for sale in interstate commerce, within the area covered by any subsisting and valid order of the commission, any commodity at a price in excess of the maximum price fixed by such order shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine of not exceeding \$5,000 or (if a natural person) by imprisonment for not exceeding one year, or by both such fine and imprisonment. In the case of such unlawful sale or offer for sale by a firm or corporation, any partner, officer, agent, or other person representing such firm or corporation, who has participated in any way in the attempt to make such unlawful sale or offer for sale, shall be subject to the penalty herein provided, except in the case of an agent or employee acting upon the written direction of a superior within the jurisdiction of the United States, in which case such superior only shall be liable to the penalty. Each sale or offer for sale, and each delivery in the case of one contract of sale requiring delivery at different times, shall constitute a separate offense.

[NOTE.—The above section has been in part adapted from various provisions of the Sherman Antitrust Act of 1890, the interstate commerce act, the packers and stockyards act of 1921, and the grain futures act of 1922.]

SEC. 4. That for the purposes of this act the commission or its duly authorized agent or agents shall at all reasonable times have access to, for the purpose of examination, and the right to copy, any documentary evidence of any person, firm, or corporation being investigated or proceeded against; and the commission shall have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may sign subpoenas, and members and examiners of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpoena the commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence.

Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, firm, or corporation, issue an order requiring such person, firm, or corporation to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Upon the application of the Attorney General of the United States, at the request of the commission, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any person, firm, or corporation to comply with the provisions of this act or any order of the commission made in pursuance thereof.

#### TESTIMONY AND WITNESSES.

The commission may order testimony to be taken by deposition in any proceeding or investigation pending under this act at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the commission as hereinbefore provided.

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

[NOTE.—The above section has been adapted from the Federal Trade Commission act of September 20, 1914 (38 Stat. 722-723, sec. 9).]

SEC. 5. That any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpoena or lawful requirement of the commission, shall be guilty of a misdemeanor, and, upon conviction thereof by a court of competent jurisdiction, shall be punished by a fine of not less than \$1,000 nor more than \$5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

Any officer or employee of the commission who shall make public any information obtained by the commission without its authority, unless directed by a court, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding one year, or by both such fine and imprisonment.

SEC. 6. That the Federal Trade Commission or any other department or agency of the Government having in its possession any records, papers, or information relating to any person or corporation being investigated or proceeded against under the provisions of this act shall, when directed by the President, furnish the commission any such records, papers, or information as it may request. The President may also direct the detail to the commission from time to time of officials and employees from any executive department or independent establishment of the Government.

[NOTE.—The above section has been adopted from the Federal Trade Commission act, September 26, 1914 (38 Stat. 722, sec. 8).]

That \$500,000 is hereby appropriated, out of any money not otherwise appropriated, to carry out the provisions of this act.

#### REPEAL OF DEAD-LETTER LAWS.

SEC. 7. That the following acts and parts of acts are hereby repealed:

"The act of July 2, 1890, entitled 'An act to protect trade and commerce against unlawful restraints and monopolies' (vol. 26, Stat. L. pp. 209-210, ch. 647)."

"Sections 73 to 77, inclusive, of the act of August 27, 1894, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes' (vol. 28, Stat. L. p. 570), and all acts or parts of acts amendatory thereof.

"Sections 2, 3, 4, and 5 of the act of October 15, 1914, entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes' (vol. 38, Stat. L. pp. 730-731)."

All other acts or parts of acts inconsistent with the provisions of this act to the extent of such inconsistency: *Provided, however*, That nothing contained in this act shall be construed to prevent or interfere with the enforcement of the provisions of the act of August 15, 1921, entitled "An act to regulate interstate and foreign commerce in live stock, live-stock products, dairy products, poultry products, and eggs, and for other purposes" (vol. 42, Stat. L. pp. 159-169), or any act conferring powers on the Federal Trade Commission or the United States Tariff Commission; nor to alter, modify, or repeal any of said acts or any part or parts thereof.

[NOTE.—The above section has been in part adopted from the Federal Trade Commission act of September 26, 1914 (38 Stat. 724, sec. 11).]

SEC. 8. If any provision of this act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

[NOTE.—The above section has been copied without change from packers and stockyards act of August 15, 1921 (42 Stat. 169, sec. 408).]

SEC. 9. This act shall take effect from and after July 1, 1923.

The following bill was offered last session and is resubmitted as a tentative estate tax bill:

#### INHERITANCE TAX.

A bill (H. R. 10054) to amend an act entitled "An act to reduce and equalize taxation, to provide revenue, and for other purposes," approved November 23, 1921.

*Be it enacted, etc.*, That section 401 of an act entitled "An act to reduce and equalize taxation, to provide revenue, and for other purposes," approved November 23, 1921, be amended so as to read as follows:

"SEC. 401. That in lieu of the tax imposed by Title IV of the revenue act of 1918 a tax equal to the sum of the following percentages of the value of the net estate (determined as provided in section 403) is hereby imposed upon the transfer of the net estate of every decedent dying after the passage of this act, whether a resident or nonresident of the United States:

"One per cent of the amount of the net estate not in excess of \$50,000;

"Two per cent of the amount by which the net estate exceeds \$50,000 and does not exceed \$100,000;

"Three per cent of the amount by which the net estate exceeds \$100,000 and does not exceed \$150,000;

"Four per cent of the amount by which the net estate exceeds \$150,000 and does not exceed \$200,000;

"Five per cent of the amount by which the net estate exceeds \$200,000 and does not exceed \$250,000;

"Six per cent of the amount by which the net estate exceeds \$250,000 and does not exceed \$300,000;

"Seven per cent of the amount by which the net estate exceeds \$300,000 and does not exceed \$350,000;

"Eight per cent of the amount by which the net estate exceeds \$350,000 and does not exceed \$400,000;

"Nine per cent of the amount by which the net estate exceeds \$400,000 and does not exceed \$450,000;

"Ten per cent of the amount by which the net estate exceeds \$450,000 and does not exceed \$500,000;

"Eleven per cent of the amount by which the net estate exceeds \$500,000 and does not exceed \$550,000;

"Twelve per cent of the amount by which the net estate exceeds \$550,000 and does not exceed \$600,000;

"Thirteen per cent of the amount by which the net estate exceeds \$600,000 and does not exceed \$650,000;

"Fourteen per cent of the amount by which the net estate exceeds \$650,000 and does not exceed \$700,000;

"Fifteen per cent of the amount by which the net estate exceeds \$700,000 and does not exceed \$750,000;

"Sixteen per cent of the amount by which the net estate exceeds \$750,000 and does not exceed \$800,000;

"Seventeen per cent of the amount by which the net estate exceeds \$800,000 and does not exceed \$850,000;

"Eighteen per cent of the amount by which the net estate exceeds \$850,000 and does not exceed \$900,000;

"Nineteen per cent of the amount by which the net estate exceeds \$900,000 and does not exceed \$950,000;

"Twenty per cent of the amount by which the net estate exceeds \$950,000 and does not exceed \$1,000,000;

"Twenty-one per cent of the amount by which the net estate exceeds \$1,000,000 and does not exceed \$2,000,000;

"Twenty-two per cent of the amount by which the net estate exceeds \$2,000,000 and does not exceed \$3,000,000;

"Twenty-three per cent of the amount by which the net estate exceeds \$3,000,000 and does not exceed \$4,000,000;

"Twenty-four per cent of the amount by which the net estate exceeds \$4,000,000 and does not exceed \$5,000,000;

"Twenty-five per cent of the amount by which the net estate exceeds \$5,000,000 and does not exceed \$6,000,000;

"Twenty-six per cent of the amount by which the net estate exceeds \$6,000,000 and does not exceed \$7,000,000;

"Twenty-seven per cent of the amount by which the net estate exceeds \$7,000,000 and does not exceed \$8,000,000;

"Twenty-eight per cent of the amount by which the net estate exceeds \$8,000,000 and does not exceed \$9,000,000;

"Twenty-nine per cent of the amount by which the net estate exceeds \$9,000,000 and does not exceed \$10,000,000;

"Thirty per cent of the amount by which the net estate exceeds \$10,000,000 and does not exceed \$11,000,000;

"Thirty-one per cent of the amount by which the net estate exceeds \$11,000,000 and does not exceed \$12,000,000;  
 "Thirty-two per cent of the amount by which the net estate exceeds \$12,000,000 and does not exceed \$13,000,000;  
 "Thirty-three per cent of the amount by which the net estate exceeds \$13,000,000 and does not exceed \$14,000,000;  
 "Thirty-four per cent of the amount by which the net estate exceeds \$14,000,000 and does not exceed \$15,000,000;  
 "Thirty-five per cent of the amount by which the net estate exceeds \$15,000,000 and does not exceed \$16,000,000;  
 "Thirty-six per cent of the amount by which the net estate exceeds \$16,000,000 and does not exceed \$17,000,000;  
 "Thirty-seven per cent of the amount by which the net estate exceeds \$17,000,000 and does not exceed \$18,000,000;  
 "Thirty-eight per cent of the amount by which the net estate exceeds \$18,000,000 and does not exceed \$19,000,000;  
 "Thirty-nine per cent of the amount by which the net estate exceeds \$19,000,000 and does not exceed \$20,000,000;  
 "Forty per cent of the amount by which the net estate exceeds \$20,000,000 and does not exceed \$21,000,000;  
 "Forty-one per cent of the amount by which the net estate exceeds \$21,000,000 and does not exceed \$22,000,000;  
 "Forty-two per cent of the amount by which the net estate exceeds \$22,000,000 and does not exceed \$23,000,000;  
 "Forty-three per cent of the amount by which the net estate exceeds \$23,000,000 and does not exceed \$24,000,000;  
 "Forty-four per cent of the amount by which the net estate exceeds \$24,000,000 and does not exceed \$25,000,000;  
 "Forty-five per cent of the amount by which the net estate exceeds \$25,000,000 and does not exceed \$26,000,000;  
 "Forty-six per cent of the amount by which the net estate exceeds \$26,000,000 and does not exceed \$27,000,000;  
 "Forty-seven per cent of the amount by which the net estate exceeds \$27,000,000 and does not exceed \$28,000,000;  
 "Forty-eight per cent of the amount by which the net estate exceeds \$28,000,000 and does not exceed \$29,000,000;  
 "Forty-nine per cent of the amount by which the net estate exceeds \$29,000,000 and does not exceed \$30,000,000; and  
 "Fifty per cent of the amount by which the net estate exceeds \$30,000,000."

A similar bill to reach gifts, introduced heretofore, is again submitted for consideration:

#### GIFT TAX.

A bill (H. R. 10055) to amend Title II of the revenue act of 1921.  
*Be it enacted, etc.,* That section 229 of Title II of the revenue act is hereby amended by adding a new subdivision to read as follows:  
 "Sec. 229 (a) That a tax equal to the following percentages of the net value of every gift to any individual is hereby imposed upon the property so conveyed, to be paid by the grantee within 90 days after the making of such gift:  
 "One per cent of the amount in excess of \$1,000 and not in excess of \$3,000.  
 "Two per cent of the amount in excess of \$3,000 and not in excess of \$5,000.  
 "Three per cent of the amount in excess of \$5,000 and not in excess of \$10,000.  
 "Four per cent of the amount in excess of \$10,000 and not in excess of \$20,000.  
 "Five per cent of the amount in excess of \$20,000 and not in excess of \$30,000.  
 "Six per cent of the amount in excess of \$30,000 and not in excess of \$40,000.  
 "Seven per cent of the amount in excess of \$40,000 and not in excess of \$50,000.  
 "Eight per cent of the amount in excess of \$50,000 and not in excess of \$100,000.  
 "Nine per cent of the amount in excess of \$100,000 and not in excess of \$200,000.  
 "Ten per cent of the amount in excess of \$200,000 and not in excess of \$300,000.  
 "Eleven per cent of the amount in excess of \$300,000 and not in excess of \$500,000.  
 "Twelve per cent of the amount in excess of \$500,000 and not in excess of \$1,000,000.  
 "Thirteen per cent of the amount in excess of \$1,000,000 and not in excess of \$2,000,000.  
 "Fourteen per cent of the amount in excess of \$2,000,000 and not in excess of \$3,000,000.  
 "Sixteen per cent of the amount in excess of \$3,000,000 and not in excess of \$4,000,000.  
 "Eighteen per cent of the amount in excess of \$4,000,000 and not in excess of \$5,000,000.  
 "Twenty per cent of the amount in excess of \$5,000,000 and not in excess of \$8,000,000.  
 "Twenty-two per cent of the amount in excess of \$8,000,000 and not in excess of \$10,000,000.  
 "Twenty-five per cent of the amount in excess of \$10,000,000.  
 "(b) Any trusteeship or other agency created for the holding of or administration of any gift to any individual shall pay the same tax as if the gift was made direct.  
 "(c) In any case where the collector finds the payment of the tax within 90 days would impose undue hardship upon the grantee, he may grant an extension of time not to exceed three years from the due date, with interest added at the rate of 6 per cent per annum after the expiration of said 90 days.  
 "(d) If more than one gift is made to the same grantee by the same grantor within the period of three years, the total amount shall be considered cumulative and subject to the highest rate of tax for such cumulative amount, subject to deductions for tax payments theretofore paid on any part of such amount."

[NOTE.—Bills covering reenactment of retroactive excess-profits tax and other tax measures are familiar, but will be offered hereafter.]

#### ADJOURNMENT.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p. m.) the House adjourned until Monday, November 27, 1922, at 12 o'clock noon.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FULLER: Committee on Invalid Pensions. S. 3275. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars, and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows; with amendments (Rept. No. 1260). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. JAMES: A bill (H. R. 13032) to authorize the sale of the Montreal River Lighthouse Reservation, Mich., to the Gogebic County board of the American Legion, Bessemer, Mich.; to the Committee on Interstate and Foreign Commerce.

By Mr. McFADDEN: A bill (H. R. 13033) to provide credit facilities for the agricultural and live-stock industries of the United States, to amend the Federal reserve act, to amend the Federal farm loan act, to extend and stabilize the market for United States bonds and other securities, to provide fiscal agents for the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. SNYDER: A bill (H. R. 13034) authorizing the Secretary of the Treasury, in his discretion, to designate depositories without the boundaries of the State of Oklahoma for the deposit of surplus funds of the Osage Tribe of Indians in Oklahoma; to the Committee on Indian Affairs.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWELL: A bill (H. R. 13035) granting a pension to Laura I. Brown; to the Committee on Invalid Pensions.

By Mr. HAWES: A bill (H. R. 13036) granting a pension to Emilia Rueppel; to the Committee on Invalid Pensions.

By Mr. HAYS: A bill (H. R. 13037) granting a pension to Zeppora B. Sowards; to the Committee on Invalid Pensions.

By Mr. KENDALL: A bill (H. R. 13038) granting a pension to Jemima Rush; to the Committee on Invalid Pensions.

By Mr. KIRKPATRICK: A bill (H. R. 13039) granting a pension to Bella O'Donnell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13040) granting an increase of pension to Amelia S. Scott; to the Committee on Invalid Pensions.

By Mr. MILLSPAUGH: A bill (H. R. 13041) granting an increase of pension to Mary E. Blanchard; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 13042) granting an increase of pension to Lottie Frailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13043) granting an increase of pension to David C. McDonald; to the Committee on Pensions.

Also, a bill (H. R. 13044) granting a pension to John T. Brannon; to the Committee on Pensions.

By Mr. CURRY: Resolution (H. Res. 452) providing for six months' salary to be paid to the widow of Granville C. Freeman; to the Committee on Accounts.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6464. By the SPEAKER (by request): Petition of Mrs. Wilbur P. Thirkield, urging the passage of H. J. Res. 131 and S. J. Res. 31; to the Committee on the Judiciary.

6465. By Mr. BARBOUR: Petition of the Armenian-American Civic Club, of Reedley, Calif., relative to the situation in the Near East; to the Committee on Foreign Affairs.

6466. By Mr. KISSEL: Petition of the National Association of Owners of Railroad Securities (Inc.), Baltimore, Md., relative to the freight-car shortage; to the Committee on Interstate and Foreign Commerce.

6467. By Mr. LINTHICUM: Petition of the Eastern Permanent Building and Loan Society, Calverton Perpetual Building Saving and Loan Association, Purity Building Association, Boulevard Permanent Building and Loan Association, Real Estate Board of Baltimore, Frederick W. Lauterbach, Mareco Building and Loan Association, James Charles Byrne, Traders Savings and Loan Association, University Building and Loan Association, and others, all of Baltimore, opposing H. R. 9950; to the Committee on Ways and Means.



6468. By Mr. SMITH of Michigan: Resolutions adopted by the Evangelical Churches of Marshall, Mich., and petitions of other residents and Young Women's Christian Associations of Michigan, urging further action on the part of our Government in order that the freedom of Armenia and the liberation of the Greeks from the rule of the Turks may be secured at an early date; to the Committee on Foreign Affairs.

6469. By Mr. WOODS of Virginia: Petition of the Virginia Ashur Business Women's Council, of Lynchburg, Va., on conditions in Near East; to the Committee on Foreign Affairs.

## SENATE.

MONDAY, November 27, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our gracious Father, we thank Thee for yesterday and its sanctity. As we turn our thoughts toward this day and week we ask Thine own guidance, and that through the week we may realize how good it was to rest and worship on Thy day. So enable us to enter into all the duties which sanctify the heart and high purposes to do Thy will. We ask in Jesus Christ's name. Amen.

HENRY F. ASHURST, a Senator from the State of Arizona, BERT M. FERNALD, a Senator from the State of Maine, ANDRIEUS A. JONES, a Senator from the State of New Mexico, GEORGE P. McLEAN, a Senator from the State of Connecticut, HARRY S. NEW, a Senator from the State of Indiana, LAWRENCE C. PHIPPS, a Senator from the State of Colorado, MILES POINDEXTER, a Senator from the State of Washington, and JAMES A. REED, a Senator from the State of Missouri, appeared in their seats to-day.

The reading clerk proceeded to read the Journal of the proceedings of Friday last when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

### COMMITTEE SERVICE.

Mr. UNDERWOOD. Mr. President, I desire to have a unanimous-consent order entered making some committee assignments on this side of the Chamber. Since the close of the second session, on account of the death of former Senator Watson, of Georgia, and the election of the Senator from Delaware [Mr. BAYARD] to fill a vacancy, there are two Senators on this side without committee assignments. The only committee assignments that we had were those left by the death of Senator Watson, vacancies on the Committee on Civil Service, the Committee on Claims, the Committee on Immigration, and the Committee on Post Offices and Post Roads. To help us in the matter, and in order that we might give both new Senators assignments, the senior Senator from Ohio [Mr. POMERENE] has very kindly offered to resign from the Committee on the District of Columbia. I therefore ask that the resignation of the Senator from Ohio from the Committee on the District of Columbia may be accepted, and that a unanimous-consent order may be made assigning to the Senator from Georgia [Mr. GEORGE] the vacancies on the Committee on Post Offices and Post Roads, the Committee on Immigration, and the Committee on Civil Service, and to the Senator from Delaware [Mr. BAYARD] the vacancy on the Committee on the District of Columbia caused by the resignation of the Senator from Ohio [Mr. POMERENE] and the vacancy on the Committee on Claims caused by the death of former Senator Watson, of Georgia.

The VICE PRESIDENT. Without objection the order will be entered by unanimous consent.

Mr. POMERENE, on his own request, was excused from further service as a member of the Committee on the District of Columbia.

Mr. UNDERWOOD's order was reduced to writing, as follows:

*Ordered*, That Mr. GEORGE be assigned to service on the following committees of the Senate, viz, Civil Service, Immigration, and Post Offices and Post Roads, and that Mr. BAYARD be assigned to service on the Committee on Claims and the Committee on the District of Columbia.

### PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented a resolution of the Army and Navy Club, of Detroit, Mich., protesting against any further reduction of the armed forces of the United States, which was referred to the Committee on Military Affairs.

He also presented a resolution of the Michigan Annual Conference of the Methodist Episcopal Church, at Albion, Mich.,

favoring the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution of the Michigan Annual Conference of the Methodist Episcopal Church, at Albion, Mich., favoring an amendment of the Constitution prohibiting polygamy, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Michigan Annual Conference of the Methodist Episcopal Church, at Albion, Mich., favoring an amendment of the Constitution providing uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

Mr. LADD presented petitions of Carl Lindholm and 3 others, of Lisbon; John Heupel and 27 others, of Medina; Frank Dvorak and 4 others, of Center; John Weber and 31 others, of Temvick; A. L. Smoody and 9 others, of Courtenay; R. I. Emerson and 7 others, of Drady; Jerrie Mezet and 25 others, of Beach; Mrs. J. C. Jensen and 21 others, of Overly; John Uleberg and 8 others, of Portal; George E. Howden and 6 others, of Sutton; August Widmer, sr., and 20 others, of Crete; Sam Larson and 27 others, of Lankin; Iver Jacobsen and 5 others, of Nome; John Dox and 9 others, of Bindord; George Greatsinger and 23 others, of McHenry; Emil Richter, sr., and 9 others, of New Salem; Peter Kitzinger and 7 others, of Oakes; J. H. N. Schmit and 27 others, of Kenmare; H. A. Kariger and 19 others, of Fessenden; and Millie Volbrecht and 55 others, of Kramer, all in the State of North Dakota, favoring the enactment of legislation stabilizing the price of wheat, which were referred to the Committee on Agriculture and Forestry.

### RETIREMENT OF ASSOCIATE JUSTICE PITNEY.

Mr. NELSON. Mr. President, from the Committee on the Judiciary, I report back favorably, without amendment the bill (S. 4025) to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire, and I ask for its present consideration. I also ask leave to make a brief statement.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

*Be it enacted, etc.*, That the provisions of the Judicial Code, section 260, as amended by the act of February 25, 1919, chapter 29, section 6, be, and they are hereby, extended and made applicable to Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, in consequence of his physical disability, notwithstanding he has not attained the age of 70 years as required by the aforesaid provisions: *Provided, however*, That the said Mahlon Pitney shall resign the said office of Associate Justice of the Supreme Court of the United States within two months after the passage of this act.

Mr. UNDERWOOD. Mr. President, if the Senator from Minnesota will permit me, personally I understand the case and am favorable to the bill, but it is an important measure and, while I have no objection to it, I think there should be some explanation placed on the record of the Senate before we pass it.

Mr. NELSON. Mr. President, I will make a brief explanation.

The evidence before the committee was submitted in the form of the certificates of four prominent physicians. Those certificates indicate that Justice Pitney is suffering, first, from a hardening of the arteries; second, from Bright's disease; and, third, that he has had a stroke of apoplexy. Everything indicates that he is incapacitated and will be incapacitated for performing any such labor as is required of a Justice of the Supreme Court. I have the original certificates before me, but unless Senators care about it, I shall not take the time to read them.

Mr. UNDERWOOD. I think the explanation is entirely satisfactory and I would suggest that the Senator have the certificates printed in the RECORD.

Mr. NELSON. I submit the certificates for printing in the RECORD.

The VICE PRESIDENT. Without objection, the certificates will be printed in the RECORD.

The certificates are as follows:

MORRISTOWN, N. J., October 27, 1922.

DEAR MR. CHIEF JUSTICE: I have been attending Justice Pitney since August 1. He is suffering from cerebral arterial sclerosis and chronic nephritis, and on August 10 he had a mild attack of cerebral thrombosis from which he has partially rallied.

I believe that any mental effort would aggravate his condition and result seriously.

The consulting physicians agree with this conclusion.

Yours respectfully,

WILLIAM A. MCMURTRIE, M. D.

NEWARK, N. J., October 31, 1922.

MY DEAR MR. CHIEF JUSTICE: Yesterday I saw Mr. Pitney for the third time since August in conjunction with his physician, Doctor McMurtrie.

Mr. Pitney has had at least one light "stroke" due either to thrombus or an embolus. At present his condition is poor. He has, as the fundamental cause of illness, a general arteriosclerosis (hardening of the arteries), affecting in particular those blood vessels which supply the brain.

With this there are (1) a moderate degree of chronic nephritis (Bright's disease, so called) and (2) considerable enlargement of the heart.

The outlook for prolongation of life is uncertain, but fair—for resumption of any physical or mental activity in the immediate or remote future, very poor. There is almost no chance that he can return to any active mental work, nor do I believe that it will ever be advisable for him to attempt it. Even in the highly improbable event of a great improvement over his present condition, the strain of mental activity involving matters of weight and responsibility could only be harmful and dangerous for him.

Very truly yours,

GEORGE H. LATHROPE, M. D.

To CHIEF JUSTICE WILLIAM H. TAFT,  
Supreme Court of the United States,  
Washington, D. C.

NEW YORK, November 1, 1922.

Mrs. MAHLON PITNEY,  
73 Miller Road, Morristown, N. J.

DEAR MRS. PITNEY: In accordance with your request for a statement as to Mr. Justice Pitney's condition, permit me to report as follows:

The justice is afflicted by and is suffering from an advanced and a widespread arteriosclerosis. His blood pressure is very high and is likely to remain so permanently. The heart is considerably hypertrophied and is laboring under an augmented stress by reason of the high blood pressure.

The arterial degeneration has visibly affected the arteries of the retina of each eye; and most unfortunately, certain of the cerebral arteries have also been seriously involved.

These degenerative lesions of the arteries are permanent and largely irreparable.

They can not be revoked or repaired by any known human agency; and yet their progress and subsequent risk may be greatly retarded, reduced, or possibly arrested by long continued and complete rest.

I am heartily sorry to write you that I believe Mr. Justice Pitney to be permanently incapacitated for work of any great responsibility; that it would seem to be utterly impossible for him to resume the serious duties of his judicial office; and that an attempt at the resumption of his judicial tasks might result disastrously.

Very respectfully yours,

EVAN M. EVAN.

WASHINGTON, D. C.

The honorable the CHIEF JUSTICE,  
United States Supreme Court, Washington, D. C.:

I hereby certify that I have this day again made a thorough examination of Mr. Justice Pitney, and that I find his mental and physical condition such that I have no hesitation in positively asserting that he will never be competent to resume his former duties on the Supreme Bench.

Mr. Justice Pitney has been under my professional care since April, 1913. At that early date, and when I first saw him, he presented signs of chronic Bright's disease, as evidenced by an elevated blood pressure, slight hardening of his arteries, enlarged heart, urine with low specific gravity, a trace of albumin, and numerous hyaline casts. The disease has been slowly progressive through all these years, during which time I have watched him carefully and frequently. For the past two years his condition has been rather precarious in that his arteries have been very much hardened, his blood pressure very high, his heart very much enlarged, and his kidneys showing deterioration. In March last he had a clot in one of the blood vessels of his brain, which resulted in a marked breakdown together with difficulty in speech. In August last, while he was away from the city, he had another stroke from which he is still invalided. There is a marked residue of mental deterioration as well as physical. The mental deterioration having now lasted for a period of eight months, it is incumbent upon me to assert with positiveness that he can not become mentally competent in the future to undertake responsible duties either on or off the bench.

NOVEMBER 23, 1922.

B. L. HARDIN.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### UNAUTHORIZED MEDALS AND BADGES.

Mr. WADSWORTH. From the Committee on Military Affairs I report back favorably without amendment the bill (S. 4036) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department, and I submit a report (No. 930) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

*Be it enacted, etc.,* That hereafter the wearing, manufacture, or sale of the congressional medal of honor, distinguished service cross, distinguished service medal, or any of the service medals or badges awarded by the War Department, or the ribbon, button, or rosette thereof of the form as is or may hereafter be prescribed by the Secretary of War, or of any colorable imitation thereof, is prohibited, except when authorized under such regulations as the Secretary of War may prescribe.

Any person who offends against the provisions of this section shall, on conviction, be punished by a fine not exceeding \$250 or by imprisonment not exceeding six months, or by both such fine and imprisonment.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. WADSWORTH. I ask that the report of the Committee on Military Affairs in connection with the bill just passed may be printed in the RECORD.

There being no objection, the report (No. 930), this day submitted by Mr. WADSWORTH, was ordered to be printed in the RECORD, as follows:

#### PROHIBITING UNAUTHORIZED WEARING OF DECORATIONS.

The Committee on Military Affairs, to which was referred the bill (S. 4036) to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department, having considered the same, report thereon favorably and recommend that the bill do pass.

This measure is recommended by the War Department, and its necessity is fully set forth in a letter from the Secretary which is appended hereto and made a part of this report as follows:

WAR DEPARTMENT,  
Washington, October 11, 1922.

The CHAIRMAN COMMITTEE ON MILITARY AFFAIRS,  
United States Senate.

SIR: I have the honor to invite your attention to the attached draft of a bill to protect the decorations and service medals issued by the War Department, and request, if the provisions of the bill meet the approval of your committee, that it be introduced in the Senate.

The necessity for the proposed legislation is well stated by the Acting Judge Advocate General as follows:

"1. The design of the congressional medal of honor was patented November 22, 1904, under No. 37236, and the patent transferred to the United States December 28, 1904. This patent expired by limitation November 21, 1918, and the design is now subject to public use.

"2. The designs of the distinguished service cross, distinguished service medal, and the service medals awarded for service in various wars are not protected by patent.

"3. In a recent case on this subject, which was referred to this office for opinion, it was necessary to hold that the only legal means of protection against the unauthorized use of the design of the congressional medal of honor as the basis of a design for the badge of a society of ex-soldiers was by recourse to the provisions of section 125 of the act of June 3, 1916, and the regulation promulgated in Army Regulations 600-45, as amended by changes No. 1, July 17, 1922. Such indirect means of protecting the unauthorized use of the decorations mentioned herein is of doubtful efficacy, because it involves extending the law to lengths not contemplated when the law in question was passed. Such means are further objectionable because, even if successful in a particular case, they would block only one of several avenues that lead inevitably to cheapening the decorations in question.

"4. If the decorations of honor and the service medals awarded by the War Department are to continue to serve the high purpose for which they are intended, they are worthy of being protected. Since there is no provision of law applicable for the further patent protection of the design of the congressional medal of honor, and since such patent protection of the design of the distinguished service cross, distinguished service medal, and service medals would afford only temporary relief, it is suggested that suitable legislative action be initiated for the protection of the design of the decorations in question."

A copy of the inclosed bill has been forwarded to the chairman Committee on Military Affairs of the House of Representatives, requesting that it be introduced in the House.

Respectfully,

JOHN W. WEEKS,  
Secretary of War.

#### BILLS AND A JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHORTRIDGE:

A bill (S. 4069) to authorize the construction of a railroad bridge across the Colorado River near Yuma, Ariz.; to the Committee on Commerce.

By Mr. TOWNSEND:

A bill (S. 4070) for the relief of Henry T. Shafer; to the Committee on Military Affairs.

By Mr. POMERENE:

A bill (S. 4071) for the relief of David C. Van Voorhis; to the Committee on Claims.

By Mr. BALL:

A bill (S. 4072) to establish a board of indeterminate sentence and parole for the District of Columbia and to determine its functions, and for other purposes; to the Committee on the District of Columbia.

By Mr. McCUMBER:

A bill (S. 4073) to amend section 2238 of the Revised Statutes (with accompanying papers); to the Committee on Public Lands and Surveys.

By Mr. HARRISON:

A bill (S. 4074) conferring jurisdiction upon the Court of Claims to hear and determine the claim of Mary Ella Webster; to the Committee on Claims.

By Mr. McKELLAR:

A bill (S. 4075) to amend an act entitled "An act to amend an act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' approved June 3, 1916, and to establish military justice," approved June 4, 1920; and

A bill (S. 4076) to amend an act entitled "An act making appropriations for military and nonmilitary activities of the



War Department for the fiscal year ending June 30, 1923, and for other purposes," approved June 30, 1922; to the Committee on Military Affairs.

#### DELAWARE RIVER MEMORIAL BRIDGE.

Mr. FRELINGHUYSEN. Mr. President, the National Washington Crossing Commission, an organization created for the purpose of memorializing the historical event of Washington crossing the Delaware, have devised a plan for a memorial bridge at that point. I introduce a joint resolution providing that the United States Government shall make an appropriation to share in the project and ask that it be referred to the Committee on Appropriations.

The joint resolution (S. J. Res. 249) providing for the construction of a memorial bridge across the Delaware River at the point where Washington and his troops crossed said stream on the night of December 25 and the day of December 26, 1776, was read twice by its title and referred to the Committee on Appropriations.

#### MARY M. BREWER.

Mr. LODGE. I submit a resolution to be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 369) was read as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the contingent fund of the Senate, to Mary M. Brewer, widow of Hiram H. Brewer, late foreman in the Senate folding room, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death; said sum to be considered as including funeral expenses and all other allowances.

Mr. LODGE. I wish to say before the resolution goes to the committee that it proposes to pay one year's salary as compensation to the widow. Mr. Brewer was 39 years in the service of the Senate. He was a soldier of the Civil War, and I think that his very long service, as in one or two other cases, entitles the widow to a year's salary instead of six months, as is usually given to the family of a deceased employee of the Senate.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

#### ADDRESS BY EX-SECRETARY OF THE TREASURY M'ADOO.

Mr. WALSH of Montana. Mr. President, on Armistice Day last a most interesting address was delivered by the late Secretary of the Treasury, Hon. William G. McAdoo, upon the subject of legislation affecting the ex-service men. Mr. McAdoo was intimately connected with the work of the World War in many of its most important phases. I ask that this address may be printed in the Record in 8-point type.

Mr. SMOOT. I ask the Senator from Montana whether the address refers to any subject matter other than soldiers of the late World War?

Mr. WALSH of Montana. It does not. The meeting at which the address was delivered was under the auspices of the American Legion.

There being no objection, the address was ordered to be printed in the Record in 8-point type, as follows:

SPEECH DELIVERED BY HON. WM. G. M'ADOO ON ARMISTICE DAY, NOVEMBER 11, 1922, AT FULLERTON, CALIF., UNDER THE AUSPICES OF THE AMERICAN LEGION POSTS OF ORANGE COUNTY.

This is the fourth anniversary of a memorable day in human history. November 11, 1918, signalized not alone the ending of the greatest war in the annals of mankind, but it marked the beginning of a new era in civilization.

The European war had its origin in causes which were distinctly alien to American ideals and traditions. Conflicting national interests and ambitions, secret alliances and counter-alliances which sought to gain political, economic, and military advantages to those concerned, racial and national hatreds engendered by centuries of strife, resulted in a final death grapple between two opposing principles of government—autocracy on the one hand and democracy on the other. For generations all Europe had been an armed camp. England, the greatest military power on the high seas; Germany, the greatest military power on land; and France, Italy, Belgium, Russia, Austria, Turkey, and the Balkan States, all armed to the teeth, awaited only the explosive to set in motion the mightiest machine for human slaughter ever operated in the history of mankind. The explosion came in August, 1914, and the world was thrown into a colossal convulsion from which it has now only partially emerged.

#### ISOLATION COULD NOT KEEP AMERICA OUT OF WORLD WAR.

America had nothing to do with the controversies or causes which lead up to this great disaster. By tradition and by consistent policy we had never been a military power. We had never maintained a large standing army, but with the growth of

powerful foreign navies and because of our extended coast line, we had gradually built up a formidable modern navy of our own. But its primary purpose was self-defense and not aggression. We believed that our remoteness from the fields of foreign wars rendered us immune from embroilment or attack. But we had not taken into consideration the fact that our growth as a nation had necessarily made us a powerful factor in world commerce, and that our security and prosperity were dependent upon the maintenance of our rights upon the high seas and upon uninterrupted intercourse with all parts of the world. When the European clash came, we declared our neutrality and sought, by every peaceful means, to maintain it. But the most powerful of the European belligerents began to encroach upon our neutral rights whenever they found that it was to their advantage to do so. We quickly discovered that it was impossible to isolate America. She was an integral part of world economy, her products were in demand by all the nations; she had a right as a neutral to trade with them; and she refused to yield any of her vital rights to escape collision with any challenger or upon the behest of any despot. She was one of the most important members of the family of nations, and she could neither shirk her responsibilities nor avoid the consequences. Disregard of America's rights by all of the belligerents produced a continuing tension which finally culminated in the destruction by one of the great powers of the lives and property of American citizens on the high seas in violation of the accepted rules of international warfare, and no alternative was left except to draw the sword.

#### AMERICA'S ACTION AN INSPIRING SPECTACLE.

April 6, 1917, Congress passed the fateful resolution that threw America into the World War and made her a party belligerent in the greatest conflict of all time on a field of action more than 3,000 miles from the Atlantic seaboard. With characteristic patriotism and energy the Nation sprang to arms. One of the most inspiring spectacles of all history was presented when the most powerful and peaceful democracy of all the ages transformed itself, with incredible celerity and efficiency, into an irresistible military machine. The young David of democracy was matched in mortal combat with the mailed Goliath of autocracy. Democracy won the battle, and we to-day celebrate the victory.

#### ARE WE UNEQUAL TO OUR IDEALS?

But have we realized the thing for which we fought primarily; the thing which lit the crusaders' fire in the hearts of our people; the thing which has been the Christian dream of centuries; the thing without which civilization is still imperiled; the thing which, above all things, would bring the greatest blessings to the human race—the destruction of war itself and the enthronement of enduring peace? We have not. America failed to follow up the victory. The greatest tragedy of human hopes was written when she refused to march onward to the goal which, for the first time since Christ, seemed almost within the Christian grasp. The 4,000,000 who sprang to the defense of their country with the determination to end war for all time found themselves cheated of their prey in the very hour of their victory. Mars, the repulsive god of war, escaped, and again sits omnipotent upon his throne ready to hurl new disasters upon the world. The peace of the world was destroyed by partisan politics. Selfishness and intolerance regained the day. We seek an isolation we can not find, and we suffer the consequences, moral, spiritual, and economic, of our failure to live up to our responsibilities and maintain the noble ideals which made us unconquerable on the field of battle.

In this reversion from the sublime heights of Christian purpose and glorious achievement to the debased level of partisan politics and ignoble shirking our sense of justice and gratitude to the 4,000,000 men who fought the war and won the victory seems to have been destroyed. We have failed them. We have, thus far, proven ourselves unequal to the ideals for which they fought and incapable of appreciating the heroic services they rendered in the hour of national peril.

#### ALLIES WERE FACING DEFEAT.

What was the situation in the spring of 1917 when America entered the war? A gloomier outlook for the allied cause could not be painted. The submarine was doing its deadly work at sea, rapidly destroying the means of communication between Great Britain, France, Italy, and the United States, upon the maintenance of which depended their supplies of food, munitions, and war materials. The ghastly prospect of starvation stared the Allies in the face. Quick relief could be obtained only from America. But the credit of the Allies was exhausted. This was a graver danger than the immediate effects of the submarine, because without money or credit they



could not buy essential supplies in America. At that time Great Britain had demand obligations in American banks amounting to \$400,000,000 which she could not meet. France and Italy were in financial extremity. What the Allies needed immediately to save them from irretrievable disaster was, first, American money, and, second, American men.

By act of Congress the Secretary of the Treasury was armed with authority to meet the credit situation. The Treasury of the United States immediately extended first aid to Great Britain, France, and Italy by lending them money to buy the food and munitions necessary to keep them on the fighting line until American men could arrive upon the field of battle.

#### THE DOUGHBOY WON THE VICTORY.

American men quickly followed American money, and what a colossal task it was to prepare untrained Young America to fight the veteran legions of the most powerful military nations of the earth! But this was not all; to transport them across 3,000 miles of sea infested with treacherous submarines and to put them in the battle line on foreign soil in strange surroundings amid a jargon of foreign tongues, equipped to fight the experienced veterans of the enemy, seemed an impossible task. But in an incredibly short space of time our raw recruits were transformed into a militant and irresistible fighting force. Three thousand miles of ocean were annihilated. The submarine was overcome. The mighty legions of the trained enemy were met and conquered, and in 18 months after America entered the war victory had been torn from the hands of defeat and the American doughboy was acclaimed as the protector of the Nation and the savior of liberty and democracy in the world. For these heroic achievements and in the flush of victory the lips of a grateful people in a grand chorus of praise and gratitude said that nothing was too good for him.

How was this mighty deed accomplished? By the organized might of America! The crisis was so grave that we could not rely upon our traditional policy of waiting for the volunteer to come forward and undertake this perilous and prodigious task. Swift measures were imperative. The Congress had provided the necessary money and credit to sustain the allied cause until American troops could take the field, and now Congress took the next great step and passed a law establishing a fundamental principle of war-making in a democracy—a universal draft law—that required every eligible young man, the sons of the rich and the sons of the poor alike, to go into training and fight without discrimination or favoritism for the cause of their country.

Under this law the strong arm of Uncle Sam stretched out into every home in the land where there was an eligible boy of military age and took him, without the sanction and regardless of the feelings of parents and loved ones, before selective service boards which chose those who were physically fit and sent them into training camps throughout the country. Four millions of America's finest young effectives were taken in this manner and molded into an unconquerable fighting force.

#### OUR SOLDIERS DRAFTED, NOT CONSULTED.

We did not ask these young men if they wanted to go into the trenches and give their lives for their country. We did not, nor could we in time of national peril, consult their wishes in the matter. We took them and sent them out to perform the supreme duty of patriotism. The life of the Nation was at stake and it was they who had to save it. We did not ask these men what compensation would be acceptable for the hazardous work we thrust upon them. There was neither individual nor collective bargaining as, of course, there could not be. The Congress arbitrarily fixed their pay and said that a soldier should receive while fighting on the bloody fields of France the sum of \$1.10 per day, and while in reserve on American soil, awaiting the call to Europe, \$1 per day. In the judgment of Congress it was worth 10 cents more per day to face the enemy's shot and shell and poison gas on the battle fields of Europe than to be in reserve in America. Of this meager compensation the soldier paid almost one-fourth for the life insurance which a grateful Nation permitted him to buy at minimum rates. If he was a married man, he was required by law to pay in addition another half of his compensation for the support of his dependent family. The little that was left—about \$10 per month—the soldier was permitted to dispose of as he saw fit. There was, of course, no chance for the men and women in the Army and Navy to effect savings. After payments for life insurance and allowance for the support of families and loved ones barely enough was left for their ordinary needs.

The war was ended and, by their valor, a year sooner than expected.

The victorious heroes returned. With justified pride and deep emotion they trod again the soil of their native land amid the plaudits of the multitude. Then they were mustered out. Their swords were sheathed, their guns stacked, their uniforms laid aside, and the undramatic and crowded fields of civil life stretched before them. These young heroes had come from the farms, the villages, the towns, and the cities of every part of the land. They had given up their jobs and occupations. They had exchanged their environments for something new, something different, something uplifting. Their horizons had been widened. They had fought for great ideals and for noble objects. They had been reformed in a crucible of fire and remade in the grim school of discipline and danger. They were bigger men; they were broader men than the unsophisticated youths who entered the Army as raw recruits from the farms, the plains, the mountains, and the cities of a great Nation. They had to start life anew with enlarged vision, with new and finer conceptions of duty, with higher aims and ambitions. Thousands of them could not look with patience upon the narrow and provincial life from which they had been drawn. They wanted larger opportunity to make themselves useful citizens of the greatest Republic of all time. They wanted a chance at a larger and more fruitful life.

#### RETURNING VETERANS DISILLUSIONED.

But what was there to begin with except character, enlarged experience, and bright hope? They had emerged from the warm atmosphere of national welcome to find themselves in the cold atmosphere of practical, unsympathetic, indifferent civil life. Where were the jobs they had been led to believe were awaiting with warm welcome their return? Where were the opportunities which they had been told that a grateful Nation would shower upon them for their heroic services, for their priceless contribution to the cause of liberty and democracy? They were gone. Jobs and opportunity had been conquered by those who stayed at home and faced no peril while the conquerors of the Nation's foe were engaged on the field of battle. Life stretched before them, but what was there to start with? Not even a paltry fund which, if promptly available, would have opened up to the returned soldier the opportunity for a new and prosperous career.

It was the very need of this assistance, resulting from the inadequate pay granted the soldiers, that prompted the suggestion that a grateful Nation recognize their inestimable services by increasing the compensation paid to them during the war. This is familiarly known as "adjusted compensation" or "soldiers' bonus," and since it has been under consideration for the past four years and is an important public question it does not seem inappropriate to discuss it on this occasion.

#### BONUS IS JUSTICE.

What is "adjusted compensation" or "soldiers' bonus"?

It is a proposal that the men who fought in France and received but \$1.10 per day therefor be paid an additional \$1.25 per day for the period of actual service, and that the men who were held in reserve in camps in the United States and received but \$1 per day therefor be paid an additional \$1 per day for the period of actual service; but that in no case should the soldier in foreign service receive a total additional payment of more than \$600 nor the soldier in home service a total of more than \$500.

Is this an unreasonable request? Is \$2.35 per day, or \$70.50 per month, too much to pay to the men who endured all the dangers and horrors and sufferings of the trenches and of bloody battles? Is \$2 per day too much to pay to the men who were kept in reserve awaiting orders to go to the front and fill the gaps caused by those who died in battle?

As adequate compensation for service performed, it is, of course, too little; but as evidence of gratitude and appreciation of a great duty nobly performed, it is something. As a genuine help to the 4,000,000 men and women who saved the Nation from grave peril, it is much. As a matter of justice, it is everything.

#### GOVERNMENT CIVIL EMPLOYEES RECOGNIZED.

While these men were fighting and sacrificing for country, every class in America, protected by their valor and sacrifice, was living in safety and earning more money and making larger profits than ever before in our history. Even the civil employees of the Government, more than 500,000 in number, who were receiving salaries of \$2,500 or less per annum, were granted a bonus of \$240 per year. For the past five years these civil employees have already received a total bonus of \$1,200 each—twice the maximum proposed for the soldiers, and the bonus is still continuing.



The great manufacturing interests, which produced war munitions and supplies, and the great trusts and combinations in control of vital necessities for the Army and the Navy and the people made fabulous profits during the war because the valor of our heroes in the field made them secure in life, liberty, property, and the pursuit of profit. By contrast, how can this great Nation fail to grant the claim of the men who saved the Nation from disaster to the comparatively small recognition involved in the allowance of their request for a readjustment of compensation for the actual time they were in the service of their country?

A committee of the Senate, after exhaustive investigation, reported that it would require only about \$1,600,000,000 to pay in cash the entire amount of the adjusted compensation or bonus to the enlisted men and women of the United States.

But immediately a cry arose from the very interests which had profited most by the valor of the soldiers, that to pay adjusted compensation would impose a greater burden upon the American people than they could bear, and that the credit of the Government would be destroyed if such payment should be undertaken.

Never was there a more fallacious and unsupportable claim, and never was there an exhibition of baser ingratitude.

#### ADJUSTED COMPENSATION NOT A BURDEN.

The Nation could have paid the claims for adjusted compensation without hurt to the national credit and without imposing serious burdens upon the people. The additional compensation should be treated as a part of the cost of the war and should, like other burdens of the war, be funded into long-time obligations and the payment spread over several generations, so that the present generation should not be required to pay an undue share of it, and succeeding generations should be required to pay a just share of it. We could issue 50-year Government bonds in sufficient amount to pay the bonus in cash and thus not only discharge creditably and promptly an obligation the country justly owes but remove the question from the hands of partisan and tricky politicians who have made use of the issue for base and ignoble ends. By this method another desirable result is accomplished: Additional onerous burdens would not be imposed on the present generation, which is already staggering under a heavy load of taxation. Only the annual interest and sinking fund would have to be paid. This would not exceed a total of 5 per cent, or about \$80,000,000 per annum, to take care of the interest on the bonds and the payment of the principal at maturity.

#### A HUGE TARIFF SUBSIDY GRANTED GREED.

It is sheer hypocrisy to say that the Nation can not bear this relatively insignificant burden when great subsidies are granted to private interests at the expense of the people and for purposes which can not be successfully defended. The Fordney-McCumber tariff bill was recently passed by Congress and approved by the President. It is estimated that the trusts, monopolies, combinations in restraint of trade, and other beneficiaries of this measure will be able to take from the pockets of the American people \$3,600,000,000 per annum while the law is on the statute books.

In the three years that remain before this colossal subsidy can be repealed its beneficiaries will receive an estimated total of \$10,800,000,000. How can such conscienceless misuse of the powers of government, such indefensible exploitation of the masses of the people, be justified when the soldiers and sailors who saved our institutions are denied a just recognition of \$1,600,000,000 on the ground that to grant it would impose excessive burdens on the American people? Ten billion eight hundred million dollars for trusts and monopolies, and not one cent for the heroic defenders of their country.

#### WHY NOT TARIFF BENEFICIARIES PAY THE BONUS?

But if the frank and direct method of issuing Government bonds for the payment of adjusted compensation in cash should not be adopted, why should not the beneficiaries of the tariff bill be required to divide their subsidy with the Nation's defenders? In this way adjusted compensation could be paid without imposing new burdens upon the American people; in this way those who received the greatest material benefit from the valor of our soldiers will be required to share with them the undue profits and advantages which a complacent Congress has so generously conferred upon them. How can it be done? Let an average of the net earnings of every trust, monopoly, corporation, or beneficiary of the Fordney-McCumber tariff bill be ascertained for five years, or for some reasonable period preceding the enactment of that law. Then take each year 50 per cent of all net earnings of these tariff beneficiaries in excess of this average, while the Fordney-McCumber bill is in effect, and apply it to the payment of the soldiers' bonus.

It would be peculiarly appropriate to make these tariff beneficiaries divide with the men and women who went to France when the black clouds of disaster overhung civilization and American liberty and dispelled them with the sunshine of their heroism and sacrifice.

This is not an impractical idea. It can be formulated into a law that can be administered. The plan is analogous to that adopted by the British Government for raising revenue to carry on the war. An average of the net earnings of all forms of business in Great Britain was ascertained for a period preceding the outbreak of the war, and all profits in excess of that average were treated as war profits and taxed 80 per cent. By this practical and simple plan the British Government repressed the war profiteer and forced those who profited by the war to contribute 80 per cent of those profits to the national defense fund instead of permitting excessive profits arising from abnormal conditions created by the war to be retained for private ends.

#### NO EXCUSE FOR INJUSTICE OR INGRATITUDE.

There are those who say that our enlisted men and women should not be paid additional compensation because they will waste the money—that no benefits will, therefore, be conferred upon them. This is, of course, mere assertion based neither upon fact nor reason. Arguing from human experience and the natural tendency of most men and women to save money and not to waste it, to use it wisely and not to lose it, it is more reasonable to assume that the great majority will use the money beneficially. But assuming, for the sake of argument, that justice demands that the claims of the soldiers be paid, or that the gratitude of a saved Nation prompts the payment, it is no answer to say that justice should be denied or gratitude stifled upon the mere assumption that those entitled to justice or those who should be the recipients of the Nation's gratitude may not use the rewards wisely or beneficially. We can not satisfy the demands of justice by being unjust nor manifest gratitude by refusing to be grateful. If the soldiers are entitled to the bonus either because justice demands it or gratitude prompts it, it should be paid to them no matter what they may do with it. In its final analysis it is an affront to enlisted men and women to assume that they are so worthless and incompetent that they will not make proper use of a payment to which they are in justice entitled.

#### NOT COMMERCIALIZING PATRIOTISM.

There are others who say that the bonus should not be paid because it will "commercialize patriotism." This is merely trying to satisfy conscience with a phrase. If it be commercializing patriotism to increase the pay of the soldier for the dangerous work he did in the war, then why was it not equally commercializing patriotism to pay him anything whatever for serving in the war? The argument must be carried to its logical conclusion. Either he should be paid within reasonable limits to the full extent of the Nation's ability to pay, or he should not be paid at all. If patriotism is to be exacted of the soldier without cost, then in time of war all civilian effort should be drafted without cost, and no profit should be allowed to private enterprise or service as a contribution to the war effort. The most unfair and unjust thing that the opponents of the soldiers' bonus have done to the 4,000,000 gallant men and women who fought the war is this attempt to impeach their patriotism. A greater wrong could not be done. If it would commercialize patriotism to increase the pay of the soldier for the service he rendered in the war, then what can be said of the gross commercializing of patriotism indulged in by every firm, corporation, and individual who turned to the utmost profit the opportunities the war gave them?

It is not unnatural that the people should hesitate to assume new tax burdens at a time when they already are overloaded with State, local, and national taxation. Certainly these burdens ought not to be increased without convincing reasons. The opposition to the soldiers' bonus is grounded largely upon the fear that it will inevitably impose new tax burdens. But this objection is met if the bonus can be paid without increasing existing burdens through a division of the tariff subsidies already imposed upon the people or through the issuance of long-time Government bonds which will distribute the burden lightly over several generations. But in no circumstances can any nation take the position that justice to any great class of its citizens shall be denied because it will cost something to do justice.

#### JUSTICE, LIBERTY, DEMOCRACY NOT TO BE MEASURED IN DOLLARS.

There are some things which can not be measured in dollars. Justice is one of them. Liberty is another. Democracy is still another. Liberty and democracy are founded upon justice, and the Nation must stand for justice and do justice no matter

what the cost may be in blood or treasure. If we refuse to do justice to the great army of men and women who saved the Nation in its hour of extremity; if we leave in the hearts of the 4,000,000 defenders of the Nation and in the hearts of their families and friends the feeling that the Nation is not only unjust but ungrateful, may we not do a graver injury to the spirit and morale and patriotism of our people than any savings in taxation could ever compensate?

In the wave of materialism which has swept over the land since the war was fought our higher ideals seem to have been obscured. What armistice day ought to celebrate instead of merely signify has not yet been secured. Perhaps these things are only in eclipse. The triumph over war, injustice, and oppression has not yet come. It may never come in full perfection, but it is our duty to fight unflinchingly for this noble end.

Let us pray God that that day of triumph may come, and while we pray God and press on with unconquerable determination let us make sure that we preserve the soul of the Nation from the corroding influences of injustice, materialism, and selfishness. Let us on this day made glorious by the valorous deeds of our sons and daughters resolve that this great Nation, fashioned by our forefathers in the spirit of the Christian God and dedicated by them to the service of humanity, shall be preserved for all time.

#### PRESIDENTIAL APPROVAL.

A message from the President, by Mr. Latta, one of his secretaries, announced that on November 22, 1922, the President approved and signed the act (S. 3300) granting a pension to Marie Doughty Gorgas.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhulse, its enrolling clerk, returned to the Senate, in compliance with its request, the bill (S. 3855) to ascertain and settle land claims of persons not Indian within pueblo Indian land, land grants, and reservations in the State of New Mexico.

#### ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 12859) to provide for certain expenses incident to the third session of the Sixty-seventh Congress, and it was thereupon signed by the Vice President.

#### LIBERIAN LOAN.

The VICE PRESIDENT. Morning business is closed.

Mr. CURTIS. Mr. President, this is Calendar Day, but we had a call of the calendar just before the close of the last session. Therefore I ask unanimous consent that the unfinished business be laid before the Senate. The Senator from Nebraska [Mr. HITCHCOCK] has informed me that he desires to address the Senate this morning.

Mr. FLETCHER. Mr. President, I think we ought to have a quorum before that is done. Therefore I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	Myers	Smoot
Ball	Hale	Nelson	Spencer
Bayard	Harrell	New	Stanfield
Borah	Harris	Nicholson	Stanley
Brandeggee	Harrison	Norris	Sterling
Broussard	Hefflin	Overman	Sutherland
Calder	Hitchcock	Owen	Swanson
Capper	Jones, N. Mex.	Page	Townsend
Caraway	Jones, Wash.	Phipps	Underwood
Cuberson	Keyes	Pomerene	Wadsworth
Cummins	Ladd	Ransdell	Walsh, Mass.
Curtis	La Follette	Rawson	Walsh, Mont.
Dial	Lodge	Reed, Mo.	Warren
Edge	McCumber	Reed, Pa.	Watson
Fernald	McKellar	Sheppard	Weller
Fletcher	McKinley	Shortridge	Willis
Frelinghuysen	McLean	Simmons	
George	McNary	Smith	

The VICE PRESIDENT. Seventy Senators have answered to their names. There is a quorum present.

The question is on the request by the Senator from Kansas [Mr. CURTIS] for unanimous consent that the unfinished business be immediately laid before the Senate.

Mr. HARRISON. I understood that the unanimous-consent request was to take up the calendar.

Mr. CURTIS. No; the unanimous-consent request was that the Chair lay before the Senate the unfinished business. The Senator from Nebraska [Mr. HITCHCOCK] desires to speak; and under the unanimous-consent agreement already entered into the unfinished business should now be laid before the Senate anyway.

Mr. UNDERWOOD. I think that should be done; but the regular order is the calendar, and I think we ought to be able

to agree that the unfinished business be now laid before the Senate, as it is to be voted on at 2 o'clock, and when it shall have been concluded, that the calendar shall then be taken up.

Mr. CURTIS. I could not consent to enter into that agreement, Mr. President.

Mr. HEFLIN. What is the request, Mr. President?

The VICE PRESIDENT. The request of the Senator from Kansas [Mr. CURTIS] is for unanimous consent that the unfinished business may now be laid before the Senate. Is there objection? The Chair hears none, and the Chair lays before the Senate the unfinished business, which is House Joint Resolution 270.

#### REPLY TO M. CLEMENCEAU—FRANCE AND GERMANY.

Mr. HITCHCOCK. Mr. President, a few days ago I sought to accept the invitation given by former prime minister Clemenceau, of France, when he suggested in his first address delivered in New York City that we exchange criticisms. M. Clemenceau has come to this country for the purpose, apparently, of persuading the American people to cooperate at the present time with the policy of France; and in my comments upon his attitude I sought to show that it would be impossible for the people of the United States to cooperate with France so long as the French Republic pursues the policy toward Germany which it has been pursuing for some time. I endeavored to show, Mr. President, that that policy would inevitably lead to war, and, in support of that, I sought to introduce some features of that policy indicating that fact. I ask to have inserted in the Record, without reading, the comments made by M. Clemenceau on my first speech.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

TIGER DENIES HITCHCOCK'S CHARGES OF MILITARISM—REFERS TO SENATOR'S DEFEAT AT POLLS—DARES HIM TO SEEK "TRUTH" IN FRANCE.

BOSTON, November 24 (Associated Press).—Georges Clemenceau lashed back at his Senate critics to-day in his first American interview granted to the Associated Press, replying particularly to the criticisms of Senators HITCHCOCK and BORAH.

"Senator HITCHCOCK calls me a militarist," Clemenceau said. "Well, I am glad to tell Mr. HITCHCOCK he is in the Senate, owing to the vote, for only a few more days. When he is free, I dare him to go to France and learn the facts."

He declared Senator HITCHCOCK had been misled by German propaganda and that to-day there was not a single black soldier in German territory.

To Senator BORAH's recent assertion that Clemenceau was primarily responsible for conditions in Europe because of his great influence in the drafting of the Versailles treaty the aged statesman declared his situation was "particularly distressing," since in France he had been most bitterly criticized "for having asked from the Germans less than I ought to."

#### TO MAKE HIMSELF CLEAR.

When he was told that some of the Senators at Washington had said they were not able to understand clearly from his speeches just what he wanted of America, the Tiger said, with a gleam in his eyes, that he thought they would know after his address this afternoon in Tremont Temple, the second formal speech of his American tour.

Clemenceau received his interviewers in his big bedroom at the home of F. L. Higginson, Jr., where he is staying while in this city.

He wore his usual gray cutaway suit, and his gray skull cap was perched on his bald head. Seating himself in a huge easy chair, he said:

"Now, put any questions you like and I will answer them."

The interviewers went at once to the subject of the Washington criticisms. Clemenceau smiled and shrugged his shoulders.

"I had made it a point not to discuss with official people in America," he said. "But I have said I will answer all, so I must answer."

"I am glad to tell Mr. HITCHCOCK he is in the Senate only for a few days, owing to the vote," he began, referring to the Senator's recent defeat for reelection. "Therefore, I think I'll be excused if I dare him to go to Europe, and if he finds anyone in my country or elsewhere who says I have been a militarist, then I'll own it."

#### TURNED MILITARIST WITH WAR.

"I have suffered much from 1871 to 1917 for not being a militarist. I turned militarist when the war broke out—before, I had been militarist to the extent of extending the length of military service in France."

"But that wasn't too bad, if it allowed us to oppose the German front until England and America appeared."

Asked to answer HITCHCOCK's question about black troops, the Tiger said "bon" and waded in.

"In the first place, there are no black troops of occupation in the area of occupation of the enemy. In the second place, I have seen black American troops at the front, and they stood the fire with bravery, too."

"Of course, this has nothing to do with the question of whether we are militarists or not. It is an attempt of German propaganda to oppose France and America and obscure what is really the great question."

"The Germans and all of our foes had been killing enough of our white men, and 100,000 black men fell gallantly fighting on 'the frontiers of liberty,' as Woodrow Wilson called them. We are not going to deny them a place in history."

"Now those black soldiers were always more or less occupying towns in France and always got along perfectly with the white French people. Even, I should say, their discipline is stricter than any white troops."

"So—I have seen papers of German propaganda which I suppose inspired Mr. HITCHCOCK's sayings, and I can plainly say they are so many lies."



"The day before I left Paris I heard these stories would be employed to prove we were a militaristic people. So I asked the official people to give me plain information."

"The answer was that there had been only one established case of a Senegalese having mistreated a German woman. He was cashiered and sentenced by a military tribunal."

#### SENT TO RELIEVE WHITE TROOPS.

The reason black troops were sent into the occupation zone at first, Clemenceau said, was to provide a few months of home leave for the white troops "that had stood the fire for years until America could come, and were rather exhausted."

"We couldn't foresee," he said, "that it would be more objectionable to the Germans than to the French in whose towns they had been garrisoned. When we learned it was, they were withdrawn."

"The German objection was more of a surprise because they employed black troops, and if they did not bring them to the front it was because no means of bringing them could be found. They did find means to invade Belgian Congo with blacks."

Then Clemenceau came to Senator BORAH's statement that he, Clemenceau, was responsible for most of Europe's woes, because of the treaty of Versailles. Declaring that the criticism was exactly the opposite in his own country, where he was assailed for not demanding enough, he continued:

"Let those who say I asked too much go to Europe; let them bring their German friends, and let us settle it there where it can be seen."

"Moreover, if too much was asked at Versailles—which I do not believe—yet 57 per cent of it has been taken out without my assent and out of my power."

Ending the interview, Clemenceau declared his reception in America had been "greater than I was entitled to expect."

"I was received as a friend, as a son," he said. "Whatever happens in the end, I shall never forget it. But while expressing my deep gratitude to all, I dare say I'd like to have a little more plain assent to some of my arguments."

Mr. HITCHCOCK. Mr. President, first of all, in those remarks M. Clemenceau quotes me as charging that he is a militarist. As a matter of fact, I sought in what I said to avoid any personal criticism of this French statesman, and endeavored to direct my criticism against the policy now being pursued by France. I did suggest that at the conference in the negotiation of the Versailles treaty M. Clemenceau showed himself disposed to drive a very harsh stipulation with regard to Germany, and that he, as the representative of France, was largely responsible for the exaction of indemnities or reparations which had turned out to be entirely impossible. At the same time I said that, compared to the present French Government, M. Clemenceau is mild; and the facts, as I view them, sustain that statement.

M. Clemenceau also says that, as the result of the recent election, I shall only be in the Senate for a few days, and he "dares" me to come to Paris at the expiration of my term and learn the real facts of the case. Well, Mr. President, there are several defects in this invitation. In the first place, M. Clemenceau is himself out of office, as the result of a decision of the French people, and is in no position to tender an official invitation to anyone to visit France; and, in the second place, his suggestion conveys to my mind too much of the idea represented in the story of the bucolic young man who had dramatic ambitions. He left his country town and joined a barnstorming dramatic company, being under the impression that he was to become a dramatic star. After he had been absent some time he returned in a somewhat crestfallen manner to his native town. His friends began to ask him how successful his dramatic trip had been. He said it had been pretty good; but his friends insisted on knowing what sort of a reception he had had from the audiences. "Well," he said, "pretty fair." He was asked, "Did the audiences encore you?" "Encore!" he exclaimed, "what is encore?" "Why," his friends explained, "did the audiences call you before the curtain?" "Well," he said, "they did not exactly call me before the curtain, but they dared me to come before the curtain." [Laughter.] So this invitation from M. Clemenceau partakes a little too much of that character to appeal to me with great strength.

Now, Mr. President, as to what M. Clemenceau says in his comment upon my address, in the first place, he states that there are no black troops in the army of occupation of the enemy—he still refers to the German people as "the enemy." There we have an issue of fact. M. Clemenceau, who is rather noted for reckless statements, makes the bald declaration that there are no black troops in the army of occupation. I hold in my hand, Mr. President, an authentic list of the French colored troops in Germany in October of the present year. At this time it appeared that the Senegalese troops have been withdrawn, but there are still quartered upon the German people, according to this statement, some 23,000 colored men. The statement says:

The average number comprising the regiments amounts to from 1,900 to 2,000, the total amount of the regiments mentioned above thus being approximately 23,000 men. Apart from the regiments enumerated above, there are, particularly with the white artillery regiments and the automobile corps, small units of Indo-Chinese (Anamites) and Senegalese, the total amount of which, however, hardly supersedes 1,000 men. The amount of Senegalese, the only real negro troops in the occupied territory, amounts to some 200 men.

Without reading, I shall insert this in the RECORD. It shows that there are Algerian commands located in the town of Ems, Diez, Boppard, Wiesbaden, the environs of Idstein, Kreuznach, Bingen, Langenschwalbach, Biebrich, Kostheim, Griesheim, Sweibrücken, Landau, Mainz (Mayence), Juelich, Dueren, and Eschweiler; that there are Moroccan troops quartered in Speyer, Gernersheim, Kastell, Weiseman, Hoechst, and Ludwigshafen, and Tunisian soldiers stationed in Euskirchen, Siegburg, Wahn, and Bonn.

I ask unanimous consent to insert this compilation in the RECORD, and I can vouch for its reliability as a statement of the colored troops in the army of occupation on German territory in the month of October, this year.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement referred to is as follows:

Algerian Riflemen Regiment No. 16, staff and one battalion in Ems, one battalion in Diez, and one battalion in Boppard.

Algerian Riflemen Regiment No. 23, staff and two battalions in Wiesbaden, one battalion in the environs of Idstein.

Algerian Riflemen Regiment No. 125, staff and one battalion in Kreuznach, one battalion in Bingen, one battalion in Langenschwalbach.

Algerian Riflemen Regiment No. 33, staff and one battalion in Biebrich, one battalion in Kostheim, one battalion in Griesheim.

Algerian Riflemen Regiment No. 35, staff and two battalions in Zweibrücken, one battalion in Landau.

Algerian Riflemen Regiment No. 39, the whole regiment in Mainz (Mayence).

Algerian Riflemen Regiment No. 43, staff and one battalion in Juelich, one battalion in Dueren, one battalion in Eschweiler.

Moroccan Riflemen Regiment No. 64, staff and one battalion in Speyer, two battalions in Gernersheim.

Moroccan Riflemen Regiment No. 66, staff and one battalion in Kastell, one battalion in Weiseman, one battalion in Hoechst.

Moroccan Colonial Infantry Regiment, staff and two battalions in Ludwigshafen, one battalion in Speyer.

Tunesian Riflemen Regiment No. 20, the whole regiment in Euskirchen.

Tunesian Riflemen Regiment No. 28, staff and one battalion in Siegburg, one battalion in Wahn, one battalion in Bonn.

The average number comprising the regiments amounts to 1,900 to 2,000 men. The total amount of the regiments mentioned above thus being approximately 23,000 men. Apart from the regiments enumerated above there are particularly with the white artillery regiments and the automobile corps small units of Indo-Chinese (Anamites) and Senegalese, the total amount of which, however, hardly supersedes 1,000 men. The amount of Senegalese, the only real negro troops, in occupied territory amounts to some 200 men.

Mr. HITCHCOCK. Mr. President, I may say that in addition to that I am in receipt of a large number of telegrams and letters from various parts of the United States, some of them denouncing M. Clemenceau in language so vigorous that I shall not reproduce it, but all testifying to the fact that the individuals writing the letters saw black troops in German territory upon the occasion of very recent visits to Germany.

Mr. McCUMBER. Mr. President, will the Senator yield for a question for information?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. HITCHCOCK. I yield.

Mr. McCUMBER. Does the Senator designate the Sudanese as blacks in the general acceptance of that term?

Mr. HITCHCOCK. Well, Mr. President, I am not color blind entirely, but have here—

Mr. McCUMBER. What I should like to get at is really whether they are of the Aryan race practically or whether they are of the Negro race.

Mr. HITCHCOCK. I have not mentioned any Sudanese. This list contains none; it contains a statement that there are 200 negroes, and that there are Moroccans, the Algerians, and the Tunisians.

Mr. McCUMBER. I will apply the question to the Moroccans. They are not negroes, are they?

Mr. HITCHCOCK. I have not said they were, although I have some pictures here which make them look very much like it. But that is not the question.

Mr. McCUMBER. I was simply trying to get information as to whether there are negro troops quartered at present in German territory.

Mr. HITCHCOCK. There are 200 negroes there, according to this official statement which I put in the RECORD, and in addition to that there are over 23,000 of an inferior race. Now, I am not making an attack on the negroes. The American negro is far above these half-barbaric, half-civilized representatives of African tribes who have been conquered by the French arms, and are now incorporated in the French Army. The American negro is a far different character as he associates in our country with his own kind, and in close contact also with the white race. The gist of my charge is that France has quartered over 20,000 men of inferior, half-savage races upon white people; that those men are quartered not only in barracks but in the very houses of German citizens along the Rhine. That is the essence of my charge, and I do

not want to have it diverted to a discussion of the race question in the United States.

These Moroccan riflemen and these Algerian riflemen are called Moroccans and Algerians because of the neighborhood they come from; but, as every one knows, there are large proportions of the peoples in those territories who are inferior to the high Arab or to the high Moroccan.

Here in this French book which I have, "La Panorama de la Guerre de 1914," Senators, if they wish, can see illustrated the type of men in colors there. I am glad the Senator from North Carolina [Mr. SIMMONS] comes to my desk as an expert and views the pictures representative of the Senegalese, Algerians, and Moroccans; so that any one by viewing them can decide whether or not they are men of an inferior race, and whether they are proper individuals to be quartered upon white people, and in the houses of white people.

Mr. REED of Missouri. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. HITCHCOCK. I yield to the Senator.

Mr. REED of Missouri. I should like to ask the Senator if he does not think we need a few savages from Africa to save civilization and make the world perfectly safe for democracy?

Mr. HITCHCOCK. There are 23,000 there at the present time, as I have shown by that statement, which is official.

Now I want to read a letter which is written by a recent captain in the United States Army. It comes from Boston, Mass., under date of November 25:

DEAR SIR: I have just read in the Boston papers where M. Clemenceau denies your statement about there being negro troops on German soil.

I left Germany on October 3, 1922. I was an officer in the American Army of Occupation for three years and up to the time I left there. When M. Clemenceau says there are no negro troops on German soil he makes a statement that is absolutely untrue. There are between 15,000 and 25,000 negro troops stationed in the German towns of Kreuznach, on the Lahn River, and Bad Ems and Nassau, on the Lahn, and at other places. I have seen negro troops on German soil every day for the past three years.

Mr. President, this captain in the Army, when he says "negro," does not distinguish between the Senegalese and the Algerian and the Moroccan, and there is no need to make a distinction. They are men of an inferior, half-civilized race. They are brutes when stationed among white people, as the evidence shows beyond any controversy; and there is not any use to make a quibble, as M. Clemenceau made when he said they are not black men. It would require a fine degree of color astuteness for an individual to express a preference for one or the other.

Mr. President, running over a few of these telegrams and letters which I have received—and I shall not undertake to cumber the RECORD with many of them—here is a letter from Gonzales, La., dated November 23. This is from a former soldier in our Army. He says:

I was over there and served in our Army, and I saw those black troops myself, and it was a common report to hear of the outrages that those black troops committed on German women and girls.

I send you a paper which my brother and myself started, together with W. Gautreau, and all of us saw service—my brother and myself in the Army and our partner Gautreau in the Navy—and you will notice in our issue of November 18 we denounce this cowardly act on the part of France. All three of us are of French descent and proud of it, but we are not at all proud of any act of brutal cowardice by the French nation, and we wish you would take action about this. All three of us are also members of the American Legion.

I read that because that comes not from a German, nor from a German-American, but from a man of French descent who served in the Army and saw the things of which he speaks.

I am not going to—I can not, from the very nature of the case—undertake to give a list of the horrors over there, but later on I am going to put into the RECORD some statistics on that subject.

I have here a telegram from Boston, from Dr. Philip S. Sumner, who says:

While in Germany during the month of August, saw French colored troops at Mainz and Ludwigshafen on duty.

I have here a letter from Chicago, part of which reads as follows. This is written by a woman:

I beg to say that I was in Euskirchen, Rhineland, Germany, all last summer, and it was crowded with blacks in the French Army. It was not safe for a woman to be alone on the streets even in the daytime when there were not many people on the streets. When indignities were reported to the officers they would grant no relief and inflict no punishment; in fact, in certain instances they ordered complaining Germans to leave the land of occupation.

Then she makes certain charges against French officers, to which I will not give publicity.

I have here a letter from a man in St. Louis, written on the 24th, who says:

In looking through this evening's newspaper, I note that M. Clemenceau made the statement that there were no black troops in Germany. This is absolutely false. I was in Germany myself this summer and saw the Rhine district literally black with them. A brown population is rapidly springing up as the result of their being there.

Then I have here a letter written from Atlantic City, in which the writer says:

Regarding not having any African-colored troops in Germany, the court records of the city of Landau, under date of September of this year, all of whom are under French jurisdiction, are before me, where rape had been committed repeatedly, where names are mentioned which I will be glad to send to you. I came in possession of same through my sister, who lives in a city called Neustadt, Bavaria, in the heart of the occupied territory, and who herself does not dare to speak of these outrages.

I have here a letter from Asher Mayer, of New York City, in which he says:

I am not prepared to say that the so-called colored troops have not been withdrawn from the occupied area in the last 30 days, but I can tell you without equivocation that in the months of July, August, and September there were hundreds and hundreds of colored troops in that area. I saw them myself. It will interest you to know that at Wiesbaden in the depot there is a colored soldier standing at each end, fully armed. There is hardly a railroad station along the Rhine where a number of colored troopers are not stationed.

Mr. President, I can read a good many of these letters. They mention dates.

Here is one which mentions seeing colored troops at Bonn, on the Rhine, October 3 and 4 of the present year.

Here is a very recent letter from a business man in Philadelphia, who states:

I returned from a visit to Germany on November 11 via steamship *Resolute* and am therefore in position to say that Clemenceau deliberately lied when he stated there were no colored troops along the Rhine, for I personally saw them at Oberlappstein, Mainz, Schierstein, Weisbaden, Biebrich, and Worms, while fellow passengers testified to their presence in the Pfalz—Palatinate.

I do not believe that M. Clemenceau deliberately lied. I think M. Clemenceau has habitually in his public life made reckless statements, as he did in this case when he declared that there were no black troops there, and as he did when he further stated that hundreds of cannon were being made in Germany at the present time in preparation for war, although we all know that Germany is combed constantly by commissions of French and other allied officers who have seen to it that there shall be no cannon made in Germany for use there or elsewhere.

Mr. President, I believe that all this shows pretty clearly that the colored troops are there. Let me make some reference to what those colored troops are doing and what they have been doing there.

I have in my hand a quotation from a noted English authoress, Lady Frances Evelyn Warwick, who recently addressed a most emphatic appeal to the women of England, requesting them to rise in protest against the black horror on the Rhine. Lady Frances writes:

When the Frenchmen moved to the Rhine they took with them a considerable force of colored troops from the Senegal and other parts of northern Africa. These uncivilized people were quartered upon one of the highest civilized parts of Europe. That in itself is terrible enough. It was a disgrace for all Europe. But soon came that which was much more terrible. The German authorities were urged, aye, they were simply ordered to establish brothels for the black troops. And for these brothels white women had to be furnished. This happened in the year 1922 after Christ! But, judging from reliable information I received, that was not all. A great number of German women have been outraged by colored soldiers. The newspapers in the occupied territory are not allowed to report these cases; in some instances the press has been ordered to report that such things never happened. It would be an easy matter for me to report shocking details, but I have too much self-respect, and these lines may suffice to indicate what monstrosities our German sisters have been subjected to.

I do not dispute for a moment the right of the French to use colored troops when their country was in danger. That was deplorable, but it was necessary. But as soon as the war was over these troops should have been sent back. By quartering them upon a defenseless country in the midst of highly civilized people the French have committed a crime against Europe. When we were informed recently that the Bolsheviks used Chinese soldiers who committed the most terrible atrocities a cry of horror swept all through western Europe, but when the French sent thousands of colored troops into the Rhineland one keeps silent.

In discussing this matter I set aside all other considerations. I want to forget how tragical the war was and how hard peace is. I look upon this matter as every civilized woman would look upon it, even as a French mother who has suffered so unspeakably would look upon it, when it is submitted to her in all its monstrousness, without any comment. I have discussed it with men who refuse to forgive under any considerations. I told them, "I can understand your attitude toward Germany, but how can you justify it that the French have colored troops on the Rhine." I have not met a single one who justified it. The mildest criticism was, "It is a mistake."

With the phrase, "For the sake of peace and quiet"—to quote a person of high rank—little or nothing is said. I also know that when America entered an emphatic protest the French authorities did everything to make the crimes appear as trifles. The following report, which I received just now, is proof to the contrary. It comes from a person who is thoroughly familiar with conditions: "Despite the protests of foreign governments, the International Women's League, and such excellent men as Romain Rolland, Henri Barbusse, and others



the horror continues. The British representative to the supreme war council in Versailles, General Thompson, has stated himself that it is the truth, that it is impossible to keep under control the primitive passion of African troops. It is still worse that the brothels are not sufficient, and that therefore cruelties and atrocities are frequent. Almost 20,000 colored soldiers are still on the Rhine. Formerly there were 25,000. Then their number was reduced because of the difficulty to furnish quarters for them in the winter. And the horror continues."

That is one side of the matter which ought to be taken into consideration by our French friends. They ought to ask themselves how they would feel if their mothers, sisters, and daughters were subjected to the same abuse. Would they not feel that the memory of such outrages would survive two or three generations and that it ought to be washed off with blood.

France's population is decreasing while Germany's is increasing. Both countries are indispensable for the welfare of Europe. Their disputes may become the source of serious trouble for the whole world. In theory we had approximately four years of peace, but in fact a condition still exists that makes peace impossible. Therefore English women must rise in protest, not only for their German sisters but for the cause of world peace. The protest is to be submitted to Parliament. Every woman in England must get busy to support this action. If France fails to put an end to the black horror, we women must instigate a boycott of French goods, clothes, and wine; to be short, we must not buy anything exported by France. I believe this threat would be sufficient, and if the women of England would demand that these crimes be stopped they would be a thing of the past in a very short time.

Mr. REED of Missouri. What is the date of that?

Mr. HITCHCOCK. I do not know the date of it. The Senator from Idaho [Mr. BORAH] gave it to me, and I am not advised of the date. What Lady Francis says there is true, Mr. President. This issue is not limited to the abuse of women and girls in Germany. This action is going to lead to war, and it is intended to lead to war. It is provocative. It is done for the purpose of arousing Germany to resent it. It can not be for any military purpose. France with her 700,000 men has no need to keep 25,000 men of an inferior race there, whether they are Moroccans or Senegalese or Tunesians, or whatever they may be. There is no military excuse for it, and it is not done for a military purpose. These men are housed there sometimes in German families, sometimes in barracks, and

sometimes in public institutions, evidently for the purpose of provoking and exasperating the Germans to resistance in order that France may have an excuse to enter with military force and possess herself of German territory, because this is not the only thing France has been doing which can be interpreted in only one way, and that is toward exciting resistance and giving an excuse for the entry of French soldiers into territory not yet occupied.

Mr. President, I have shown that the colored troops are there, and when I say "colored troops" I ought to say half-civilized troops, because I am not reflecting on the colored men of this country. Those men over there are half-civilized troops. They are far away from home, and they are installed in German families, as I said, as well as in barracks of their own, and they are given police power. They are in the attitude of conquerors. As Clemenceau says, they are in the enemy's country.

I hold in my hand what I feel justified in vouching for as reliable information concerning the establishment of houses of prostitution for the use of these men, not for the use of white men but for the use of these half-civilized black men. Evidently the need is appreciated for something of that sort, and, as stated, white women are taken and put into these houses of prostitution for the use of these half-civilized blacks. I read from the first part of this document:

The establishment of brothels upon official demand of the army of occupation is confined to the territory occupied by the French troops. Nineteen brothels were originally kept in 16 places, of which 12 are still being maintained in 12 places. Moreover, the establishment of a brothel was demanded at Treves a short time ago. Information about brothels for the occupation troops established upon demand in the occupied territory on the Rhine follows.

The names of those brothels no longer maintained since November 1, 1921, are underlined.

I would like to have them so indicated in the RECORD, and I ask to have the balance of this document printed.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

Place.	Location of the brothels, street and number.	Demanded by—	Established on—	Building, etc., expenses incurred.
1. Siegburg (18,350 inhabitants).....	Allee Street 119.....	French troops.....	December, 1919, and January, 1920.....	Marks. 131,750.89
2. Kaiserslautern (55,700 inhabitants).....	Allee Street 6.....	Delegate of the district, Major Der- ville.....	Mar. 20, 1919.....	
3. Ludwigsbafen (95,000 inhabitants).....	Damm Street 34.....	Commandant.....	Beginning of January, 1919.....	59,000.00
4. Landau (14,760 inhabitants).....	Kaufhausgasse 7.....	French commandant.....	Jan. 6, 1919.....	8,365.17 5,566.50
5. Speyer (23,580 inhabitants).....	Diakonissen Street 68-70.....	Occupation authorities.....	Beginning 1920.....	
6. Kastel.....	Luenette-Erbenheim.....	French troops.....	1919.....	70,000.00
7. Kostheim.....	Barracks.....	do.....	do.....	130,000.00
8. Weisenau, near Mainz.....	Fort Weisenau.....	do.....	do.....	1,500.00
9. Bingen (10,000 inhabitants).....	Nahkai.....	Delegates.....	Apr. 1, 1919.....	67,482.19
10. Griesheim (camp).....	Barracks.....	Occupation authorities.....	1919.....	14,885.26
11. Trier (55,106 inhabitants).....	Schiersteiner Street 68.....	Thirtieth Army Corps.....	Apr. 1, 1919.....	101,530.51
12. Wiesbaden.....	Delaspee Street.....	Adm. mil.....	do.....	123,960.19
12a. Wiesbaden (100,000 inhabitants).....	Brunnen Street 3.....	do.....	Oct. 24, 1919.....	
13. Langen-Schwalbach (2,600 inhabitants).....	Obergasse 15.....	do.....	Dec. 1, 1918.....	25,251.00
14. Idstein (3,600 inhabitants).....	Hamburger Street (official build- ing).....	Commandant.....	do.....	8,000.00
15. Hoechst (28,400 inhabitants).....	Mainzerland Street.....	do.....	Kept one month, October, 1919.....	20,000.00
16. Hoechst.....	Schul Street 10.....	Delegate of the district, Diez.....	Nov. 15, 1921.....	31,384.42
17. Bad Ems (7,400 inhabitants).....	Oranien Street 11.....	Adm. mil.....	Nov. 14, 1919.....	839.02
18. Diez (3,100 inhabitants).....	Near No. 29 (Café Maure).....	Commandant.....	June 6, 1920.....	2,427.70
19. Diez.....				
Total.....				801,942.85

The total costs incurred to the German Government by the enforced establishment of brothels till the end of October, 1921, amounts to \$02,000 marks; e. g., at the rate of exchange in 1919-20 about \$50,000.

Mr. HITCHCOCK. Mr. President, these 19 brothels, of which some have been discontinued, are listed here in towns ranging in size from small places, like Bad Ems, to the larger places, like Wiesbaden, with 100,000 population. The street number of the brothel is given, and it is specified in another column who demanded their establishment, and when they were established. The cost of each is given. This cost has had to be paid by the German Government, or by the localities when the German Government so required. The people of Germany have been taxed, in other words, to maintain those institutions in those towns and to keep white women in them.

Such demands come from the French, from French officers in the various districts, and it is most conclusive admission that those French officers realize the character of the men with whom they have to deal. There has not been anything required in any other territory except the territory occupied by these half savage men. I have no doubt that the German authorities were glad to have them established, in a feeble effort to protect their women.

M. Clemenceau said in his statement that there was only one case of criminal assault. He said that before leaving Paris, anticipating something of this sort, he asked officials in Paris for information, and was told that there had been only one established case of a Senegalese having mistreated a German woman, and he was punished. If anything, that statement by M. Clemenceau is even more preposterous and more inaccurate than his other statement that there were no black troops in Germany at this time. I hold in my hand here a book entitled "Outrages Committed by Colored Troops on the Rhine. Authentic Report." It is translated into English. Originally it was published in Germany. It specifies, in its seventy-odd pages, something like a hundred cases. In some instances the case is represented by the statement of the victim, giving only her initials, but the dates, and the name of the town. In other cases the statement is the statement of the police officer in the town who investigated the case. In other cases it is the father or other relative of the victim. But they are given in a detail so disgusting that it is impossible to put them into the RECORD.



They are given evidently for the purpose of establishing the facts. It is not possible that all of that can be fraud. Anyone is at liberty to examine this pamphlet which I have here, and there is no possibility of a fair man reading those statements, in different languages, by different victims, without coming to the conclusion that in the main, at least, they tell the truth.

That is not all, Mr. President. Not only is M. Clemenceau contradicted by such detailed statements as that, but he is contradicted by the apologists for France. Mr. J. Ellis Barker, in an article published in the New York Times Current History recently, was apologizing for France and defending the practice and doing what he could to justify France for keeping colored troops on the Rhine. But he was compelled to admit that the number of the accusations brought for the violation of women and crimes of violence were 227. But he said that the number found justified on an examination amounted to only 72.

That may possibly be accurate. It happens time and time again, when crimes of that sort are committed against women, even in this country the women are not able to identify the men who commit the crimes; and so undoubtedly over there, with thousands of these half-civilized troops quartered in a town, the girl victim or the woman victim in many cases no doubt is unable to identify the cause of her distress. It is not possible, with men of that type, for white people to tell them apart, and no doubt there are many complaints and many failures to identify. But the fact, as this apologist for France admits, that there were 227 cases is very good evidence that there was a very large number of offenses, even in the best phase that can be put upon it.

This writer also gives, fortunately, the figures of colored troop occupation. From December, 1918, to May, 1919, there were 10,000 colored troops in Germany, he says. From May, 1919, to March, 1920, there were 35,000. From March, 1920, to June, 1920, there were 25,000. From June, 1920, to January, 1921, there were 20,000, and, as I have shown by the exhibit which I presented a few moments ago, there are at the present time 23,000. So that there has been a steady policy of keeping these troops unnecessarily in German territory, without any military reason whatever.

The sentences imposed upon men who were convicted, according to the statement of Mr. Barker in apologizing for the policy, were penal servitude for life for 1, five years' imprisonment for 5, less than five years for 23, disciplinary punishment for 23, trial pending or adjourned for 20.

One of the complaints the German women have made is that they can not get justice in the French tribunals; and very obviously they can not get justice, because the whole attitude of the military establishment there is one of justification. The poor woman who comes in to make the complaint is at every possible disadvantage. She is not in a position to prove her case—she lacks witnesses; she has only her own testimony; she has difficulty in identifying—but the fact that only comparatively few have been convicted is no excuse whatever for a continuation of the policy.

Mr. President, very recently, in fact just a few moments ago, there was placed in my hands an additional list of offenses committed against women by these half-civilized soldiers—not last year, not the year before, but this year, almost up to date. Here is one, with the names mentioned, on June 21, 1922; another on July 2, 1922; another on July 6, 1922; another one on July 10, 1922; another on the 25th day of July this year; another on the 30th day of July; another one on August 14, 1922.

I am not going to put the details in the RECORD, because they are unfit for publication, but I cite them to show that these crimes are going on now and that M. Clemenceau, when he said there are no black troops in France, was evidently misinformed, to say the very least. It does not make any difference whether we call them black troops or brown troops or Moroccans. Whatever color designation should be given, they are committing these crimes and it does not matter whether we call them black or brown or how we designate them.

I am going to give one instance here, because it has already been published in a New York paper and vouched for by a man who has been on the ground. With the consent of the Senate I shall read it, as follows:

One more incident in relation to the injury inflicted upon a defeated people. Imagine the vine-covered banks of the Rhine. Let us take the old city of Boppard. It nestles there, in a curve of the Rhine. There are the quaint streets, the Old World dwellings, places of business, public houses, squares, markets, inns, and the little station, with its beers and wines and sandwiches, always the little creature comforts, all typical of the Rhineland.

Away on a hillside, far above the quiet village, stands an old convent. It is one of the secluded seminaries where young women are educated. In the summer of 1921 all of Germany was aflame over the Boppard case—

That is only a year ago, Mr. President—

Two ladies had gone to Boppard to visit their respective daughters, young and pure, pupils in this convent. In the afternoon the two ladies and the two young girls went for a walk out into the shady forest of the Tannus Mountains, through which here the old Rhine flows on its way to the northern flatlands.

On that sunny afternoon, in their homeland, near a cloister and in the presence of distracted mothers these two young girls were set upon by black men, assaulted and outraged. This is a matter of record. It happened while I was within a few miles of Boppard. I have seen the convent and I know the story is true. I have set forth a few reasons why we white people here should demand an answer now of M. Clemenceau the reason why France still maintains a guard of black men over white people on the Rhine.

Respectfully,

P. PAULI,

2211 Broadway, New York City.

That is only one case of hundreds and, as the former prime minister of Italy, Nitti, said, it is a moral crime against Europe, it is lowering the moral standard of Europe, it is reverting to the conditions of the Middle Ages in this century of ours.

Now, Mr. President, I want to leave that subject. I believe I have established the fact that Clemenceau was mistaken when he said there are no black troops of that kind in Germany. I believe I have demonstrated he was mistaken and was making a preposterous statement in saying that there is only one case of abuse of German women by Senegalese soldiers, and I think I have established the fact that France herself has recognized the character of these men when she has required Germany at large expense to establish brothels by taxing the people to put white women in there for the use of these men.

I want to go to another provoking attitude of France toward Germany, the attitude of demanding impossible reparations. It is a story which was rather interesting when it occurred that at the peace conference in Paris the American delegation strove in vain and the British delegation in a lesser degree strove in vain to prevent the incorporation in the treaty of impossible reparations against Germany. At that time they were left vague and undefined. Later on the amount has been fixed at \$33,000,000,000 which Germany is required to pay within practically 30 years. My position is, and it is the position of many other people in all parts of the world, that the attempt to demand such enormous reparations, which are impossible, indicates that the purpose of France is not to get the reparations, but to keep Germany in subjection and, if possible, cause a dismemberment of Germany in order that the German people may go to smash. France needs the reparations, I admit that. France ought to have all the reparations that Germany can be forced to pay. But when impossible reparations are demanded, no good is accomplished for France, no good is accomplished for any part of the world, and the only thing that is accomplished is to keep things in a condition which inevitably is going to result in war and possibly in the crash of Germany.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. HITCHCOCK. I yield.

Mr. McKELLAR. Will the Senator state about how much Germany has already paid in the way of reparations?

Mr. HITCHCOCK. I doubt whether I can give that very satisfactorily. It is not a large amount in cash.

Mr. McKELLAR. I think she has paid a good deal in kind, in cattle and various kinds of merchandise.

Mr. HITCHCOCK. Yes; that is true. The Senator from Oklahoma [Mr. OWEN] has just indicated to me that \$33,000,000,000 would be an amount of damage which France could not possibly have suffered, but I do not know anything about that and therefore I do not discuss it.

Mr. OWEN. Mr. President, the suggestion which I made to the Senator from Nebraska was that 5 per cent of the area of France was devastated by the war. If \$33,000,000,000 represents the value of that 5 per cent, then the value of France would be \$660,000,000,000, which, I think, is very much larger than anyone has ever estimated it to be.

Mr. HITCHCOCK. I am willing for the sake of the argument to say that France needs all of the \$33,000,000,000, willing even to say that she has suffered to that extent, but we all know, and it is pretty generally conceded everywhere and has been conceded at every international conference, that there is no possibility of Germany ever paying anything like that amount. At the present time France is utterly unable to begin paying to the United States the \$3,000,000,000 that she owes us. That is less than 10 per cent of what is being demanded from Germany. The allied countries are claiming from Germany \$33,000,000,000, and France has the lion's share, and yet France confesses to us that she is utterly unable to pay us \$3,000,000,000, and we believe it. We know that French finances are in such



shape that she is not even able to pay the operating expenses of her Government. She has a deficit every year. She is sinking deeper and deeper into the morass of debt. What is true of France is true of Germany. The idea of demanding \$33,000,000,000 of Germany even in 30 years constitutes an impossible demand.

Now, Mr. President, I want to read a few words from an independent source. It is the Outlook of England, published in London. Under the heading "The dance of death," a writer has this to say:

[From the Outlook, August 12, 1922.]

EUROPE'S DANCE TO DEATH.

M. Poincaré's proposals to grant Germany a moratorium, and at the same time by "productive guarantees" to exact from Germany during the duration of the moratorium more reparations than if the moratorium were not in effect, are more than impossible. They are incredible. They are insane. Every non-Frenchman at the conference thought so, even the Belgians, who alone found themselves compelled at times by political considerations to lend France qualified support. The expert committee, asked to decide whether the French program would produce cash, fairly thundered a negative. English, Italians, and Japanese agreed that the proposed allied control of German mines and forests would yield no reparations, while even Belgium could not stick the French plan for a customs barrier around the Ruhr and between the occupied areas and the rest of the Reich, or the suggestion that the Allies take over a 60 per cent share in factories on the left bank of the Rhine.

Another writer in the same British publication has this to say concerning the purpose of France in demanding these impossible reparations. Speaking of Poincaré, the present French prime minister, this writer in the London Outlook says:

He knows, like every other sensible man in Europe, that Germany can not pay the astronomical indemnities. He nevertheless stated categorically that France intends to exact them, and, if necessary, by force. All the protestations of good will and fairness that he made ring as hollow as the fair words about the "will to peace" of the German people with which the Kaiser from time to time used to cozen the world.

Later in the article, in referring to a French paper, this same writer says:

Le Temps has suggested that the German indemnity be reduced from £6,600,000,000 to £2,500,000,000. (The latter is the figure we ourselves put forward early in 1921, with the result that we were accused, not only in France but in England, of fattening on German gold.)

A little later in the same article this British author says:

There are politicians and soldiers in France, and we fear M. Poincaré is in their camp, who believe that the true safety of France lies in the destruction of Germany and the glory and the destiny of France in the elevation of their country to the position to which her preeminence in war, in art, and science, and civilization manifestly entitles her. France, according to this doctrine, must destroy Germany or in time Germany, with her greater population and industrial power, will annihilate France; moreover, if France does irrevocably ruin her ancient enemy she thereby attains the hegemony of Europe and for generations to come can rule the Continent. Her armies of blacks will supply her lack of young men and her missions of control prevent other nations from preparing matériel for modern war by threats against any country that appears restive to launch la guerre préventive.

All this is very horrible, but observe how it corresponds with the facts of French policy. If those conceptions are in M. Poincaré's mind, he is no madman seeking a will-o'-the-wisp of reparations in the German swamp, but a cold-blooded, infinitely dangerous political anarchist attempting, for the sake of la gloire, to plunge Europe back into the Middle Ages. Every time M. Poincaré opens his mouth in public he increases panic and ruin in Germany, and he has the satisfaction of accurately registering the damage he has caused by watching the mark plunge down a thousand, two thousand points in response to his threats. All the drumfire of 2,000 allied cannon on the battle front in France never did half the damage to Germany that M. Poincaré has learned can be inflicted out of his own mouth by 2,000 words. Why does he pursue his present course? Any other rational explanation of his policy than those we have indicated is, indeed, difficult to discover.

Mr. President, the world is coming to that conclusion, and it would be wise for M. Clemenceau, if he wants to get the state of public opinion in the United States, to take it back to his people that the public opinion of the United States, as well as of the rest of the world, condemns the present policy of France which looks to using the existing treaty as a means of continuing the war which ended in November, 1918. That is the indictment brought against France at this time; that she is using the present treaty and her existing power to continue her war on Germany, and that the result of that policy will inevitably be to plunge Europe into another war, and, perhaps, to plunge the whole world into another war. I have not any doubt that it is the overwhelming public opinion of the United States to-day that France should be condemned for this policy.

I hope that when M. Clemenceau goes back to his country he will convey to the people of France the very distinct impression that America resents the present policy of France and will not enter into any form of cooperation with France with regard to Germany until that policy is discontinued. When the United States signed the treaty of peace with Germany it was to be a real peace; it was to end the war. The American people can not tolerate the idea that the war to destroy Germany is to go on.

The American people have a material interest as well as a sentimental interest in this matter. We in the United States can not get out of the depression in which we are now involved until a start is made toward the rehabilitation of Europe. We have our great surpluses to sell; we can not sell them except to Europe; and Europe can not buy them so long as this policy of destruction continues between two of the great nations of Europe. We have a right, and I hope the American people will make that right evident, to complain when a policy is pursued in Europe of continuing war along the lines that France is now continuing it.

Mr. President, France stands in her own light by a policy of this sort. When France requires Germany to pay \$400,000,000 a year toward maintaining an army of occupation on her own soil, France is making it impossible for Germany to pay reparations. When France indulges in a constant pressure on the German Government to make a republic impossible, France is bringing about directly the inevitable cause of Germany going either into militarism or into Bolshevism, in either of which events further destruction in Europe is inevitable.

Mr. President, there is a great sympathy in the United States for France. I realize it, and I share it. I should like to see France procure what reparations are possible to restore the devastated region of France, so far as they may be restored, but it can not be done by this method. This is a method which will prevent it; this is a method which makes reparations impossible. The only sane way is for France to counsel with the other countries of the world and ascertain what reparations Germany can pay, and when that sum is determined to accept that amount.

Mr. President, why is it that Germany to-day has no credit and can borrow no money? It is because of the French policy. So long as France pursues her present policy toward Germany the bankers of the world will loan Germany no money, and there can be no relief until German credit is reestablished. When France names a reasonable figure for reparations, one which it is possible to pay, the financiers of the world will finance Germany and give her credit. Then Germany will be able to pay France; then, perhaps, France will be able to pay the United States; and then, perhaps, the work of rehabilitating the world may begin; but so long as France, the very center of the world situation, insists on demanding reparations which are impossible and continues her policy of seeking to dismember Germany there can be absolutely no rehabilitation of Europe. Germany can not get credit; loans can not be made; Germany can not pay France; France can not pay the United States; France can not pay Great Britain; every nation in Europe is going to sink into debt deeper year by year, and we are going on with the mad dance of death to a destination that none of us can as yet foresee.

So I say that it is time that some one, some friend—and the United States is a friend of France—should notify the French Government and the French people that they can look for no form of cooperation from the United States so long as this destructive policy is followed, and that such a policy meets with nothing but condemnation from the people of the United States.

If M. Clemenceau came to this country with a desire to find what the real opinion was here, I have done my part toward giving it, and I doubt whether there will be any responsible man in public life who, knowing the facts which I have brought into the Record here, will justify France in the attitude which she has taken. I hope that M. Clemenceau when he returns to France will use his great influence to convince the French people that the way of salvation is moderation, and that peace on earth and good will toward men will do more to rehabilitate France than another great European war, which will result in ruin and destruction not only to Germany but to France as well.

INTERRUPTIONS FROM THE PUBLIC GALLERY.

During Mr. HITCHCOCK's address a colored occupant of the public gallery rose and said, "Mr. President, may I interrupt the Senator a moment?"

At the conclusion of Mr. HITCHCOCK's remarks,

Mr. HEFLIN. Mr. President, I rise to a point of order. A moment ago, when the Senator from Nebraska was speaking, he was interrupted by a negro in the gallery on my left. This is the first time that I have ever seen such a thing occur when the person interrupting was not removed from the gallery. I once saw a white woman ejected from the gallery in the House of Representatives for interrupting a speaker on the floor of the House; I have seen white persons ejected from the gallery of this body for interrupting the proceedings of the Senate. This is the first time that I have ever seen such an indignity

and insult offered the Senate when the person offering it was not ejected from the gallery or even reprimanded by the Chair. I now demand that the person who interrupted be removed from the gallery for this insult and indignity offered to a United States Senator while discussing a question on this floor. He sits up in the gallery now; he has not been removed; he has been permitted to remain sitting there; and I am unwilling, as a Member of the Senate, to permit such an incident to pass unnoticed. I challenge his right to sit in the gallery and demand that he be removed as a punishment for the insult and indignity offered to a United States Senator upon this floor and to the Senate itself.

Mr. CURTIS. Mr. President, as I understand, the man in the gallery rose and asked if it would be in order for him to ask a question of the Senator speaking. That is all he did. He at once was called upon by the doorkeeper—at least I saw the doorkeeper speak to him—and I judge that he was told he could not interrupt a Senator or speak from the gallery. Since that time he has not said anything. I do not think the man intended any harm. As I understand, he asked a question such as a man might ask if he knew nothing about the rules and practice of the Senate. He has been informed that he can not interrupt. I am sorry the Chair did not tell him so, but I think the better way to do is to let the matter alone. No doubt the man will not again interrupt a Senator or the Senate.

Mr. HEFLIN. Mr. President, the Republican Party is in the majority here and therefore has control of the situation. I protest against the failure to act in this instance, and I bring it to the attention of the Senate. I am powerless, of course, to go beyond that. If this negro does not know any better, he needs to be taught better sense than to stand up in the gallery and to interrupt a United States Senator while he is discussing a question on the floor of the Senate. He has no business to sit in the gallery. We have seen white women removed from the gallery of the House and white men and women removed from the gallery of the Senate, and yet a negro is permitted under Republican rule to retain a seat in the gallery when he has interrupted the deliberations of the Senate and violated the rules of this body.

Mr. HITCHCOCK. Mr. President, so far as I am concerned I take the same view of the matter that is taken by the Senator from Kansas [Mr. CURTIS]. I think it was through ignorance that the young man made the mistake.

Mr. HEFLIN. I do not think it was through ignorance at all; I think it was through impudence.

Mr. HITCHCOCK. Well, Mr. President, whatever it was, he at once subsided, and, while it would have been proper for the Presiding Officer to have had him put out of the gallery, so far as I am personally concerned I hope he will not be interfered with or reflected on. I know there are many people who come here not realizing the fact that they are not allowed to speak from the gallery.

Mr. HEFLIN. Mr. President, there are very few such people. If we are going to eject the white women from the gallery when they seek to interrupt a Senator on the floor and white men are to be ejected, why shall a negro be permitted to do the same thing and then remain unmolested in the gallery? We had just as well settle this question now. Shall people be permitted to interrupt a Senator, I do not care what he is talking about, by "hollering" at him from the gallery? Evidently something was being said that this negro objected to and he boldly blurted out an interruption to the Senator. He was not even reprimanded for his act, and still occupies his seat in the gallery. I protest against it, and I demand that he be put out.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

Mr. HEFLIN. I yield.

Mr. REED of Pennsylvania. The man against whom the Senator is protesting is a wounded colored soldier. If it gratifies the Senator, he may know that the man has been removed, and the Senator may have the satisfaction of having driven from the gallery of the Senate a man who was wounded in the service of his country.

Mr. HEFLIN. I do not care how many uniforms he has on; he has no business to stand in the gallery and interrupt a United States Senator on this floor. He was not removed until I demanded that he be removed. We are not going to make the Senate Chamber a place where anybody can stand in the gallery and interrupt a Senator and seek to heckle or intimidate him. We will have that some day if we permit such a thing as this.

This sort of interruption is not going to be carried on while I am here; and I protest against this kind of discrimination against the white people in favor of the negro who was sitting in the gallery.

#### LIBERIAN LOAN.

The Senate resumed the consideration of the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Mr. SHORTRIDGE. Mr. President, I wish to detain the Senate but for a few moments to invite their attention to the joint resolution which is before us for consideration and which is to be disposed of within a very short time.

I very earnestly ask Senators to pay heed to the facts which are involved in this proposition. I venture to say that the preamble of this joint resolution sets forth historic facts which do honor to America and reflect credit upon Liberia. I must assume that Senators are familiar with these historic facts. It ought not to be forgotten that this little Republic had the earnest, heartfelt sympathy and encouragement of one of the early great men of this Republic. It ought not to be forgotten that Thomas Jefferson was largely instrumental in bringing about the establishment of this little Republic in the then dark continent. It ought not to be forgotten that this little Republic has had the earnest and sympathetic assistance of this great Republic from the day Liberia was founded, and that our Government in various and sundry ways has manifested its interest in that little, struggling country.

I repeat that the preamble sets forth briefly historic facts, which do honor to our country and reflect credit upon little Liberia.

Moreover, it should not be forgotten by us, if by others, that this little country became an associate or an ally of ours in the Great War; nor should it be forgotten by any Senator on this floor that that little country imperiled its very existence when it joined with us.

Mr. REED of Missouri. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Missouri?

Mr. SHORTRIDGE. Certainly.

Mr. REED of Missouri. What did Liberia contribute to the war?

Mr. SHORTRIDGE. I will answer the Senator in this way: She declared war on August 4, 1917. I repeat, she imperiled her very existence. She was weak; she is weak; she was exposed. She was in a position where her independence could have been absolutely destroyed and would have been destroyed if Germany had triumphed in the war. She sent no army into the field. She had none. She sent no navy into hostile waters. She had none. But her position was such, her resources were such, as to be of service to the Allies or associates, and she was willing to give all in her power to aid the common cause.

Mr. REED of Missouri. Will the Senator tell us what resources she contributed?

Mr. SHORTRIDGE. In a moment.

Mr. REED of Missouri. The Senator says she did not give us any army; she did not give us any navy. What resources did she have that she contributed?

Mr. SHORTRIDGE. I will answer the Senator and will approach the matter in a moment more in detail. I have answered. Her assistance was sought. She was induced to join with us, and she stood ready and willing to furnish men if called upon. She was not called upon; they did not enter the battle line; but she became an ally and an associate.

Mr. REED of Missouri rose.

Mr. SHORTRIDGE. Pardon me a moment, for I do not purpose speaking long. I also assume that Senators have some definite knowledge in respect to the extent of this little country. It is about the size of Ohio or New York. It has a population of, say, 1,050,000. Ten thousand of those people are called Americo-Africans. They are emigrants from this country, or descendants of emigrants; and it should not be forgotten by the learned Senator from Missouri that every statesman from Jefferson to this hour has encouraged that country and, along with that view of public policy, has urged emigration to that country from America. That is a collateral thought, and yet it enters into my mind.

Of those occupying the towns along the coast some 10,000 are so-called Americo-Africans. There are probably 40,000 people occupying the coast towns; and right there let it be not forgotten, either, that out of reverence for this Republic they named their town Monrovia, after the great man that we all revere, President Monroe; also, that they have modeled their constitution after ours, that they have always looked to this country as



their friend, and that this country up to this hour has always been the friend of that little Republic.

It is true that there are 1,050,000 of these people, and they are colored men; they are negroes. I do not choose to call them "niggers." They are colored men, and they were willing to do what other colored men did—shed their blood in the forefront of battle in order that this Republic might triumph. In addition to the 40,000 living in the coast towns there are a million more of them, divided into many tribes, living in the interior, making in all practically 1,050,000 people.

Mr. REED of Missouri. Mr. President, will the Senator yield for another question?

Mr. SHORTRIDGE. If the Senator will pardon me for a moment, I wish to finish. When I have concluded, and covered brief notes that I have, I shall be very glad to join in any colloquy.

Liberia became our ally on August 4, 1917. I necessarily repeat when I say that by so doing she showed her friendship for us and for others, for it is manifest that had the battle gone otherwise her little territory, her independence, all would have been swept away. There may be those who attach no importance to that. I am not one of that class. I appreciate it, I praise it, and it enters into my views as to what we should do in respect to this joint resolution.

Liberia does not come here asking a gift. She does not ask us to give her anything. She does come, however, asking for a loan of \$5,000,000. Have not other nations of Europe come in the same guise? Have we not loaned money to great empires and great republics? Have we not loaned in the aggregate over \$10,000,000,000 to the different nations of Europe? And do not those nations of Europe to-day owe us over \$11,000,000,000, principal and interest?

When did we loan that money? I invite the attention of my friend from Missouri to that question. When did we loan these \$11,000,000,000 to European countries or peoples or nations?

Let me answer my own question. I read from an address by Mr. Eliot Wadsworth, Assistant Secretary of the Treasury, delivered on November 24. Four years ago, Mr. President, the armistice was signed. From the signing of the armistice we have loaned to European nations over 30 per cent of the total amount now due us from those countries—a fact with which, I frankly confess, I was not familiar until so advised by the Assistant Secretary.

He said:

After the armistice the United States continued its financial support to Europe on a liberal scale, not alone to clean up war liabilities but to help meet the needs of old and new nations precipitately changing from a war to a peace basis. Loans of two and a half billion under the Liberty loan acts, eighty-four million under the relief acts, were made, while much-needed supplies were sold on credit by the Army and Navy to an amount of \$575,000,000, a total of \$3,154,000,000, or over 30 per cent of the total loans which we are now discussing.

The Secretary was discussing the proposition advanced by many European diplomats and propagandists and by some strangely constituted Americans that we should cancel these debts, that we should wipe them off, forgetting the while that we are burdened with a national debt of some twenty-three or twenty-four billion dollars, much of which was incurred in order that we might loan to these European nations the full \$10,000,000,000. But since the armistice, entered into full four years ago, this Nation has loaned to these nations of Europe the large, the colossal, sum of \$3,154,000,000, or over 30 per cent of the total loans which we are now discussing. I invite attention to this fact—to these loans made after the armistice—in order to add that if it was wise, if it was proper, if it was just, if it was right for us after the armistice to loan these vast sums of money to the different nations of Europe who had suffered by the Great War, is it not at least defensible now to assist the little nation of Liberia, which also suffered as the result of the war? Is it not worthy of America, commendable, for us to listen respectfully to the appeal of that little struggling nation, which was willing to risk its very existence along with our allies or associates?

I invite the attention of thoughtful Senators to the facts that we loaned to Armenia some \$11,000,000; to Austria, \$24,000,000; to Belgium, \$377,000,000; to Cuba, \$7,000,000; to Czechoslovakia, \$91,000,000; to Estonia, the new little country of Europe, \$13,000,000; to Finland, \$8,000,000; to France, almost \$3,500,000,000; to Great Britain, \$4,000,000,000; to Greece, \$15,000,000; to Hungary, nearly \$2,000,000; to Italy, one and three-quarter billions in round numbers. To Latvia—do all Senators know just where Latvia is?—we have loaned that little newborn country \$5,000,000. To Lithuania, another new country born out of the Great World War, we have loaned \$5,000,000; to Poland, \$135,000,000; to Rumania, \$36,000,000; to Russia, \$192,000,000; to Serbia, \$51,000,000; and we are told here authori-

tatively that of these large loans full 30 per cent have been made after the armistice four years ago.

I do not criticize the making of those loans. I am assuming, for the purposes of my remarks, that they were wisely made, and that they reflected credit upon us; that they enabled those several nations to rehabilitate themselves; and if all this be true, then, in perfect candor and without any passion, I ask, Senators, will it not be proper, is it not right, that we should now endeavor to help the little country of Liberia by a loan of \$5,000,000?

My friend from Missouri asked me directly, and in such form as would call for a direct answer. What did Liberia do? I answer, as I did before, that so far as I am at present advised none of her people were called to the battle front. She had no navy, but she was willing to give any and all assistance within her power, and in that connection I am indebted to this article, written by Bishop W. H. Overs, appearing in the Current History magazine, published by the New York Times Co., for some very interesting information concerning this little Republic of Liberia. I take the time of Senators to read one brief paragraph:

During the submarine activity of Germany a German submarine visited Liberia.

Liberia has a coast line of some 350 or 360 miles. There are no harbors, but she is so situated as to expose her to the enemy at sea. I continue reading:

The commander sent a message to the Government at Monrovia, stating that the French wireless station must be destroyed, or Monrovia suffer the consequences of an attack by the submarine, which lay in the sea close to the Liberian coast. The people were absolutely at the mercy of the German submarine. They were called together by the President of the Republic.

Who, by the way, happened to be Mr. C. B. D. King, at the present time the President.

The whole facts of the case were placed before them. There were a few who, in a cowardly way, advised the Government to destroy the French wireless station, but the majority of the people declared, "We must be true to our allies, regardless of the consequences to us," and they sent a message to the commander of the submarine refusing his request. Many buildings were destroyed by the submarine shells, and one does not know what the consequences would have been had not an English merchant vessel appeared on the horizon and driven the German submarine from the Liberian waters.

I must assume that the wireless station there was of value, doubtless of military value. A demand was made that it be destroyed. They refused. The town was shelled, and probably would have been destroyed with great loss but for the merchant vessel which appeared and drove off the submarine.

Many things run through my mind, but I can not detain the Senate to express them. There is one thing, however, to which I wish to call the attention of Senators. We have not only loaned vast sums of money to the nations of Europe since the armistice and since the peace; we have, either through governmental agencies or private channels, fed the hungry and sent medicine to the sick, clothing to the naked, and words of cheer and comfort. According to figures which I have here, we have expended in that way probably over seventy-odd million dollars. Up to December 31, 1921, the Near East Relief Association, made up of American men and women from all the States of our Union, advanced over \$51,000,000 in cash, and during this year over \$7,000,000 in cash, to help the weak and the feeble and the sick and the dying peoples of Europe.

In addition to that, Senators will remember the discussion which occurred here on December 6 of last year, when our Government, through a resolution passed, decided to furnish medicines and various other articles either on long-time credit or, if necessary, by way of gift to those in sore need in Europe and Asia. Indeed, we particularly relieved the Russian people, the starving people in China, and many of the hungry and naked and dying people of the Balkan States. What have we not done, what has not this Nation, to its honor eternal, to its glory undimmed, done for Armenia, and what are we now asked to do for that struggling people, which has kept the light on God's altar shining since the fourth century, surrounded by enemies, oppressed by barbaric people?

It is not the hour to pay tribute to my country, though I glory in what we have done, and I shall join with others here or elsewhere in doing more along the same line for the struggling peoples of the world. We are rich, we are great, we are powerful, and in all our relations with foreign nations we have been righteous. What I want is that in this hour Senators here, regardless of partisanship, shall rise and do something for a little country made up of colored men and colored women, which is in form of government a Republic; to aid them in their hard struggle; to loan them some money to build roads, to erect schoolhouses, to assist the churches of Liberia, to assist in their public activities in developing agriculture in that



country, help them to develop their many natural resources. I want my country to help the feeble even as we have helped the strong.

Why, when the poor cried, Caesar wept, but here on this floor when this little country, made up, if you please, of colored men and women, when this little country, rich in resources and able to give us ample security, comes asking for a loan, she is met with scoff and sneer and ridicule. One, and I was not pleased to hear it, thought it timely and seemly and worthy of the American Senate to heap ridicule and irony upon the little republic. It did not cause me to smile, but rather to grieve that any American Senator could forget our own humble beginning and early struggles.

What I am saying now is that we are asked to loan \$5,000,000. The negotiations toward the loan were commenced by a former President of the United States. There is no man born of woman who has ever heard me say one word personally disrespectful to the former President of the United States. In private station and far away I have opposed the policies advocated by him, but never have I questioned his patriotism, never have I had any doubt of the purity of the motives which animated him. He, the former President, his Cabinet, and his administration set on foot the movement for the loan, and the present administration, speaking through the Secretary of State, has informed us that the administration thinks we are morally bound to go forward and consummate the loan. No one argues that we are legally bound to do so, but it is stated here that we are morally bound to do so. Be that as it may, my position is this, and let it be recorded, that whether we are morally bound or legally bound in this present moment, I think we should assist the little Liberian Republic, and I do earnestly believe that that is the wish of the American people. I think that if Jefferson, if Lincoln and all the great Presidents who have favored this republic and assisted it in times gone by could rise in this chamber and speak to us, they would say to you and say to me, "Let us now further help this little country to live and to develop. We watched over it in our day; assist it now."

Nor need we fear to lose by so doing. The plan outlined will safeguard the loan. The resources of that country are ample to pay. We loaned to other countries and they come here, some of them, whining and asking to be relieved from their obligations. I venture to predict that little Liberia will never seek to have canceled nor will she ever attempt to repudiate this loan. Her resources are ample, her administration will be guarded, and we can safely advance the amount.

Mr. President, I have poorly and in an illogical manner presented my views, but I earnestly hope that the Senate will consummate the loan for the honor of our country and the benefit of the Republic of Liberia.

Mr. REED of Missouri. Mr. President, my throat is in no condition to reply to the remarks just made, but there are two or three things to which I wish to call attention as best I may be able.

The Senator from California [Mr. SHORTRIDGE] in advocating the loan of \$5,000,000 to Liberia said that we have loaned money to other countries, hence we should loan money to Liberia. That argument amounts to this, taken by itself, that because we loaned money to great countries engaged with us in a war we should hereafter loan money to every nation that asks for money. Such reasoning arrives nowhere except at an absurd conclusion.

The Senator tells us that the money will be safely loaned. Upon what kind of security? There are 2,000,000 people in Liberia. It is claimed that only 1 out of 500 is civilized. I read from the Encyclopædia Britannica:

Many of the indigenous races of Liberia in the forest beyond 40 miles from the coast still practice cannibalism.

If we go 40 miles from the coast we are among the cannibals. I wonder if the security they give us will be the heads of the missionaries or if it will be the heads of their fellows whom they take in battle and upon whom they feast? Poor little Liberia, over which the tall sycamore of the western coast weeps tears!

But "we should clothe the naked," said my distinguished friend. I read further from the Encyclopædia:

In some of the forest tribes the women still go quite naked.

I presume the Senator is going over there first to lasso them, capture them, and then "clothe the naked." I wonder how long they would be in eating the Senator from California if he went over on that mission, and what a beautiful roast he would make. [Laughter.] With what delight the naked women would dance around the philanthropist from California who proposes to capture them and force them to wear clothes! [Laughter.]

Security? Good security? By a people 1 out of 500 of whom can lay any claim to being civilized? The other 499 are sav-

ages. How many of them are cannibals we are not informed, but they still practice cannibalism, and the Liberian Government, to which it is proposed to loan the money, has not had enough influence or power to stop the roasting and eating of human beings among their own population.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from California?

Mr. REED of Missouri. I yield.

Mr. SHORTRIDGE. Assuming all that to be so, which I do not believe to be a fact, but assuming it all to be so, why not let us proceed to civilize them?

Mr. REED of Missouri. Yes; let us take some money and go over and build some roads, but let us do something else. Let us make mighty sure that about \$600,000 of that money will not ultimately get into the hands of five or six American grafters. Let us make mighty sure that we are taking care of the loan.

Mr. SHORTRIDGE. That is made sure by the Harrison amendment to the resolution.

Mr. REED of Missouri. Nothing is made sure. When the money goes into the hands of the Liberian Government, it simply means that they can divert such other funds as they have for the purpose of paying the grafters who put this graft through with the assistance of the Senator from California.

Mr. SHORTRIDGE. They could not be as big grafters as have been and are now in this country, and which this administration proposes to throw into jail.

Mr. REED of Missouri. Again the Senator makes the argument, "There were other loans, hence this one must be made. There are other grafters, hence I join with the grafters." It is a great argument to be made from the floor of the Senate, that there were other grafts, hence we should encourage this graft; there were other horse thieves, hence everybody can steal horses; there were other murderers unhung, hence let these men go free; there were other grafters, therefore let this graft be sanctified. What an argument! I would not have made that argument when I was ten years old.

Mr. SHORTRIDGE. If the Senator will pardon me, I have not made any such argument. I do not claim that. The Senator ought to know that I cited the case of other loans to show what the Nation had done since the armistice.

Mr. REED of Missouri. Well, the RECORD will show what the Senator said and what I said, and we will let it go at that. There are only a few minutes left in which to discuss the matter.

Build roads in Liberia when we can not build roads in our own country! There are good roads in California. The people of California had to pay for them. Any nation that is worth anything can build roads over which to travel, but we have not enough money to build good roads everywhere. We have not enough money to build good roads in many places. Let us build some good roads in our own country. We have not enough money to build roads all over Africa for cannibals to lead the missionaries and other victims over as they take them out to roast them alive.

We could take this \$5,000,000 and complete the dams that are in process of construction on the Ohio River and which would turn the commerce of that great section of country into the Mississippi. We have held down our appropriations and have been some 10 or 15 years completing that series of dams. We were told when we were appropriating money for our own internal improvements that the Government could not afford it; that it could not afford it because the taxpayers were too much burdened; and yet if we devoted this money to that purpose in two years' time we could turn into the Mississippi more commerce than will be created by Liberia in 500 years. We could take this money and improve the channel of the Mississippi River from Cairo to St. Louis so that great fleets of boats could ply those waters.

We tried to get the money last year, but the provision for that purpose was stricken out of the bill, because the country, it was said, was too poor and the burden upon our taxpayers would be too great. It is proposed, however, that we shall take an equal sum now to a distant country and build roads where only 40,000 people, it is even pretended, are civilized.

There are more than 40,000 negroes in the city of St. Louis alone. There are only 10,000 negroes in Liberia who, it is claimed, came from the United States. They were sent over there and given land and ought to take care of themselves. It is now proposed, however, that we take this money, which we ought to be expending at home on our own internal improvements, and go over and build roads for a people not 1 of 500 of whom is not a savage.

Oh, it is said, "they helped us in the World War." What a pitiable plea! What did they do in that war? Four or five



colored gentlemen, or it may be fifteen or twenty of them, got together and passed a resolution that war is hereby declared. What a silly performance! They never sent a man to Europe; they never contributed a gun; they never contributed a pound of material; they never contributed an ounce of energy. They merely passed a resolution. The only time they ever sent a man to Europe was when a delegate was sent to the Versailles conference; and we had to pay his fare for the round trip. The whole Government of Liberia could not raise enough money to send two or three delegates to the peace conference unless we paid their fare. They have one gunboat. I read a description of it a few years ago. It was stated that this gunboat would run out, intercept a steamer coming in, and would commandeer enough coal to get back to port.

This proposition would never have been heard of in the world but for the graft that is in it; but for the fact that some speculative gentlemen have bought the bonds of Liberia. That country was being financed chiefly by an English and a French bank before the World War. They practically had it in receivership, with the United States acting as *amicus curiæ* in the receivership proceedings. Now they are going to unload this debt on Uncle Sam. It is now proposed to take this money, which belongs to the people of the United States and does not belong to Congress, and give it to a foreign country.

I challenge the right of Congress to appropriate a penny of the money of the people of the United States for the benefit of any foreign nation. I boldly make that challenge. In war the reason we had a right to loan money to the nations who were fighting by our side was that they and we were engaged in a common enterprise. When we loaned that money we were assisting ourselves and we were loaning it for the benefit of this country by helping other countries to help us as we were helping them. It was a war measure and was constitutional. But I challenge the right of this Government to appropriate a single dollar of the taxpayers' money for any other enterprise than one for the benefit of the American Republic. If Congress has a right to loan Liberia this money, which is collected from the taxpayers of this land, then it has the right in time of peace to loot the Treasury and to continue to loan money to France, to England, to Russia, and to all the other countries of the world; to take the taxpayers' money, which was wrong from them for the purpose of supporting this Government, and establish a national pawnbroker's institution, hang up three balls over it, and go into the business of loaning money.

That, however, is a bad illustration which I have used, for no pawnbroker on this earth and no other man with any sense would ever make this loan with the expectation of ever getting it back. Nobody expects to get it back. It is a graft, pure and simple.

There are two motives back of it. I boldly make the charge. One of them is the force of capitalists who want the bonds which they hold to be redeemed. There has never yet been one of them in modern days, of whom I have any knowledge, who has not been perfectly willing to loot the Treasury of the United States for his own personal benefit. When you encounter an international financier you find a man who is trying to get money from both sides at the same time. All of them would compel the United States, if they could, to redeem at a hundred cents every obligation they bought at a tremendous discount. That is one motive. The other motive is the political ambition of gentlemen to secure the colored vote and to pay for it out of the United States Treasury. I have no doubt that many copies of the Senator's speech will be printed and circulated among the colored brethren of his State when the next election comes around, and they will say, "See what a champion he was of our people; he not only loved the American negro but his heart expanded so that he embraced within it all of the colored folk, even of Africa."

Mr. SHORTRIDGE. Mr. President—

Mr. REED of Missouri. I will yield in a moment. "His tender soul was tortured by the thought of the naked women over there in the forests, and he wanted to see them clothed; and so, my colored brethren, we ought to vote for this great friend of ours who so nobly defended us in the Senate of the United States." That is the motive back of this joint resolution.

Mr. SHORTRIDGE. Mr. President, will the Senator yield for a moment?

Mr. REED of Missouri. I have only four minutes left, but I will yield to the Senator.

Mr. SHORTRIDGE. Such is not my motive; but I wish to say to the Senator from Missouri that I am the friend and, if necessary, here or elsewhere will become the champion of the negro, whether he be in America or in Africa, as I will be the champion of any poor, lowly, struggling man.

Mr. REED of Missouri. That is just what I said.

Mr. SHORTRIDGE. I am not saying this for the people of California, because every colored man, woman, and child in California knows my life and knows the sentiments of my life, which I adhere to and here proclaim.

Mr. REED of Missouri. I gave the Senator an excellent opportunity to reiterate and reaffirm his affectionate regard for the colored race. I believe that the colored man is entitled to decent treatment in this country, but I do not believe that in order to get his vote we ought to take \$5,000,000, wrung from the taxpayers of this country, and send it 7,000 miles from here to be expended building roads in a country which is inhabited by barbarians, savages, and cannibals. That is too expensive a way to get votes. It would be better to get them by direct action here. The only difference is that to obtain such votes by direct action here the political committee would have to pay for them, whereas if the funds can be had out of the Treasury of the United States it is a mighty cheap way of campaigning.

Mr. SHORTRIDGE. Mr. President, will the Senator permit me just one further observation?

Mr. REED of Missouri. I have only three minutes left now, but I will give the Senator a part of my time. I wish to be fair.

Mr. SHORTRIDGE. I merely wish to say that I do not think the eloquent Senator from Missouri would have uttered such sentiments when the same colored men were fighting for us and shedding their blood on the battle fields of Europe.

Mr. REED of Missouri. I said that I wanted the American negro to be treated decently—

Mr. SHORTRIDGE. But he is not being so treated.

Mr. REED of Missouri. And he will be treated decently by me. He fought and he shed his blood, but it is not proposed to give him this money; it is proposed to give money to some cannibals in Africa. Who has reflected on the American negro? I have not. The only reflection that is made on the American negro is by the man who thinks he can fool the American negro into voting for him by voting away \$5,000,000 of other people's money, to be sent six or seven thousand miles from the place where the American negro can not even get a sight of it. That is the reflection, and it is the only reflection that is cast on the negro here to-day, and it is cast by those who think that he can be purchased in that way. There are many American negroes who have risen to a point of intelligence and patriotism where they will resent just such action as this. There are many of them who are beginning to take broad and big views of life. My hand has never struck a blow and my voice has never uttered a syllable against the negro in America who tried to make a good citizen of himself, who improved his opportunity as best he may.

The Senator from California says America is rich. How long will America remain rich with statesmen who propose to vote money away in this reckless fashion? Where shall we place the limit upon the waste of the money of our people? I would rather take this \$5,000,000 and establish great hospitals for the negroes in this country, if it is desired to get the negro vote by giving him special attention; I would rather take it to feed some people who are hungry; I would rather take it to build some great public works that would be of benefit; I would rather keep it in the Treasury where it belongs and where we can devote it to proper purposes.

It is said that there is a moral obligation involved. I affirm to the Senate there is no such thing as a moral obligation that can be connected with any appropriation of this kind. If the Government of the United States, acting within its due authority, committed itself to the proposition, it is a legal obligation, and if it went outside of its authority, then it was guilty of an attempted usurpation, and usurpation is about the worst crime that can be committed. I do not believe there has been an act of usurpation. We, the Congress, do not own this money; we act merely as agents. When we act within the purview of our authority we create a binding legal obligation; but when we go outside of our authority we are usurpers; we violate our oaths of office and our duty to our constituencies. Hence, when you talk to me about a moral obligation in connection with a thing of this kind I reject it and repudiate it, because it is the most immoral thing in the world to claim that any man can commit the American people to any obligation.

It is time we ceased this miserable wasting of the people's money. It is time we took such bills as this and put them forever in the wastebasket and let them remain there.

The VICE PRESIDENT (at 2 o'clock and 30 minutes p. m.). The time for debate under the unanimous-consent agreement has expired.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.  
The roll was called, and the following Senators answered to their names:

Ashurst	George	McNary	Simmons
Ball	Gooding	Myers	Smith
Bayard	Hale	Nelson	Smoot
Borah	Harrell	New	Spencer
Brandegee	Harris	Nicholson	Stanfield
Broussard	Harrison	Norris	Stanley
Calder	Heflin	Overman	Sutherland
Cameron	Hitchcock	Owen	Swanson
Capper	Jones, N. Mex.	Page	Townsend
Caraway	Jones, Wash.	Philpps	Underwood
Culberson	Kellogg	Pittman	Wadsworth
Cummins	Keyes	Poinexter	Walsh, Mass.
Curtis	Ladd	Pomerene	Walsh, Mont.
Dial	La Follette	Ransdell	Warren
Edge	Lodge	Rawson	Watson
Fernald	McCumber	Reed, Mo.	Weller
Fletcher	McKellar	Reed, Pa.	Willis
France	McKinley	Sheppard	
Frelinghuysen	McLean	Shortridge	

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT].

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

Mr. SIMMONS. Mr. President, on Friday last I lodged a motion, but did not offer it. I will not at present offer the motion which I then lodged. I move that the joint resolution be recommitted to the Committee on Finance.

The VICE PRESIDENT. The question is on the motion to recommit.

Mr. McNARY. Mr. President, I move to amend the motion made by the Senator from North Carolina by inserting that the joint resolution be recommitted to the Committee on Finance with instructions to report the same back to the Senate with all matter stricken therefrom except the amendment offered by the Senator from Idaho [Mr. BORAH] appropriating \$20,000,000 for reclamation purposes and the amendment offered by the Senator from Mississippi [Mr. HARRISON] providing for additional inspectors to carry out the railway inspection service.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Oregon.

Mr. SIMMONS. Upon the amendment to my motion I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FLETCHER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. FLETCHER. I take it that if the motion to recommit with instructions should not prevail, the question would then arise on the motion to recommit generally, without instructions.

The VICE PRESIDENT. That is correct. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. MOSES], who is absent. Not being able to secure a transfer, I withhold my vote.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Nevada [Mr. ODDIE] and will vote. I vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Pennsylvania [Mr. PEPPER] and will vote. I vote "nay."

Mr. STANLEY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. In his absence I withhold my vote.

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. As he is absent, and I do not know how he would vote if present, I withhold my vote.

Mr. WATSON (when his name was called). My general pair with the senior Senator from Mississippi [Mr. WILLIAMS] I transfer to the junior Senator from West Virginia [Mr. ELKINS], and will vote. I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce that if the Senator from New Hampshire [Mr. MOSES] were present, he would vote in the negative on this question.

I have been requested to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

Mr. FLETCHER. My colleague [Mr. TRAMMELL] is necessarily absent. If present, he would vote "yea" on this question.

Mr. SWANSON. My colleague [Mr. GLASS] is necessarily absent. If present, he would vote "yea" on this question.

The result was announced—yeas 34, nays 38, as follows:

#### YEAS—34.

Ashurst	Harrison	Nicholson	Sheppard
Bayard	Heflin	Norris	Simmons
Borah	Hitchcock	Overman	Smith
Cameron	Jones, N. Mex.	Owen	Swanson
Caraway	Ladd	Pittman	Underwood
Culberson	La Follette	Poinexter	Walsh, Mass.
Fletcher	McKellar	Pomerene	Walsh, Mont.
George	McNary	Ransdell	
Harris	Myers	Reed, Mo.	

#### NAYS—38.

Ball	Frelinghuysen	McLean	Stanfield
Brandegee	Gooding	Nelson	Sterling
Calder	Hale	New	Townsend
Capper	Harrell	Page	Wadsworth
Cummins	Jones, Wash.	Philpps	Watson
Curtis	Kellogg	Rawson	Warren
Dial	Keyes	Reed, Pa.	Weller
Edge	Lodge	Shortridge	Willis
Fernald	McCumber	Smoot	
France	McKinley	Spencer	

#### NOT VOTING—23.

Broussard	Gerry	McCormick	Shields
Bursum	Glass	Moses	Stanley
Colt	Johnson	Norbeck	Sutherland
Dillingham	Kendrick	Oddie	Trammell
Elkins	King	Pepper	Williams
Ernst	Lenroot	Robinson	

So Mr. McNARY's amendment to Mr. SIMMONS's motion was rejected.

The VICE PRESIDENT. The question recurs on the motion made by the Senator from North Carolina [Mr. SIMMONS] to recommit the joint resolution to the Committee on Finance.

Mr. SIMMONS. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. MOSES]. On this question I am informed he would vote as I expect to vote, and therefore I shall vote. I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I understand that if he were present he would vote "yea" on the pending motion. I therefore feel at liberty to vote, and I vote "yea."

Mr. WATSON (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], but he would vote as I expect to vote, I am informed, and therefore I vote "yea."

The roll call was concluded.

Mr. FLETCHER. I desire to announce that my colleague [Mr. TRAMMELL] is necessarily absent. If present, he would vote "yea" on this question.

Mr. SWANSON. My colleague [Mr. GLASS] is necessarily absent. If present, he would vote "yea" on this question.

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

Mr. McNARY. I desire to announce that on this question the Senator from California [Mr. JOHNSON] is paired with the Senator from West Virginia [Mr. ELKINS]. If the Senator from California were present, he would vote "yea."

Mr. STANLEY. I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Arkansas [Mr. ROBINSON], and vote "yea."

The result was announced—yeas 42, nays 33, as follows:

#### YEAS—42.

Ashurst	Harrell	Myers	Simmons
Bayard	Harris	Nicholson	Smith
Broussard	Harrison	Norris	Stanley
Cameron	Heflin	Overman	Sutherland
Capper	Hitchcock	Owen	Swanson
Caraway	Jones, N. Mex.	Pittman	Underwood
Culberson	Jones, Wash.	Poinexter	Walsh, Mass.
Dial	Ladd	Ransdell	Walsh, Mont.
Fernald	La Follette	Reed, Mo.	Watson
Fletcher	McKellar	Sheppard	
George	McNary		



## NAYS—33.

Ball	Gooding	New	Sterling
Borah	Hale	Page	Townsend
Brandegge	Kellogg	Phipps	Wadsworth
Calder	Keyes	Rawson	Warren
Cummins	Lodge	Reed, Pa.	Weller
Curtis	McCumber	Shortridge	Willis
Edge	McKinley	Smoot	
France	McLean	Spencer	
Frelinghuysen	Nelson	Stanfield	

## NOT VOTING—20.

Barsum	Gerry	Lenroot	Pepper
Colt	Glass	McCormick	Robinson
Dillingham	Johnson	Moses	Shields
Elkins	Kendrick	Norbeck	Trammell
Ernst	King	Oddie	Williams

So the joint resolution was recommitted to the Committee on Finance.

Mr. CURTIS. I ask unanimous consent to have printed, in connection with the Liberian joint resolution loan, letters from two of the gentlemen referred to by the Senator from Mississippi [Mr. HARRISON] the other day, denying they had anything to do with the commission.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., November 27, 1922.

HON. CHARLES CURTIS,  
Senator, United States Senate,  
Washington, D. C.

DEAR SENATOR CURTIS: When the Liberian loan bill was up for consideration in the United States Senate on November 24 Senator PAT HARRISON, of Mississippi, made the charge that I was one of five persons who had a contract to obtain \$650,000 if the Liberian loan bill should pass the Senate.

I was amazed that such a statement should be made by the honorable Senator for the reason that it is absolutely without foundation in fact.

I had no connection with the matter, directly or indirectly. I was never approached by any person or persons seeking to enlist my services in the matter of furthering the interest of the bill. During the whole of the time that the Liberian commission was present in the United States no member thereof, in conversation with me, ever referred to the loan and no other person representing Liberia has ever approached me concerning the matter. I have never been promised one cent nor contracted to receive any fee or part of any commission in the event that the bill should be passed by the United States Senate.

I emphatically deny the charge made by the Senator and am sending this letter in order that you and other Senators may know that no promise has ever been made to me nor have I contracted nor sought to contract for the payment to me of any money in connection with the passage of the bill.

I have never spoken nor written to any Senator or Representative one word concerning or in behalf of the proposed bill.

In justice to truth, I would be glad if this denial could be made in the same forum where Senator HARRISON, relying upon misinformation received by him, made the charge on last Friday.

Yours with great respect,

WM. L. HOUSTON.

HOWARD UNIVERSITY,  
Washington, D. C., November 27, 1922.

HON. CHARLES CURTIS,  
United States Senate, Washington, D. C.

DEAR SENATOR CURTIS: On the floor of the United States Senate Friday, November 24, the junior Senator from Mississippi, Mr. PAT HARRISON, in the course of his remarks opposing the passage of the Liberian loan bill, said:

"It is pretty generally understood, I think, that certain persons have a contract with the Government of Liberia that in the event this loan is made they are to receive a fee or commission of \$650,000. It is not a secret that the five persons who have this contract with the Government of Liberia are members of the colored race. They have been very conspicuous around the corridors of the Capitol buttonholing Senators and using every influence in order to obtain the passage of this legislation."

In the further course of the Senator's statement naming the five persons he mentioned my name as one of the "five persons" who are to receive a fee or commission from the Liberian Government in case the Liberian loan bill is passed.

No matter by whom inspired, no matter through whom the information reached the Senator, I wish most emphatically to deny the truthfulness of these charges.

I have no claim against the Liberian Government.

I have no contract of any kind or character whatsoever with the Liberian Government, or with any agent or official of the Liberian Government.

I am to receive no fee of any character from the Liberian Government.

I have "buttonholed" no Senator nor have I sought to influence any Senator to secure the passage of this legislation.

I do, of course, favor the passage of the Liberian loan bill; I think most thoughtful colored Americans favor it. I hope a majority of the Senate Members will. Only a small coterie of colored politicians, upon whom the Senator doubtless depended for information in this matter, do not favor it. I shall not undertake to characterize their motives.

My interest in Liberia dates back to 1909, when I went to Liberia by appointment of President William H. Taft as a member of the American Commission to Liberia. It was through the efforts of this commission that Liberia's difficulties at that time were adjusted and its debts refunded.

My interest was also shown in 1918, when I was one of a group of persons who met President Wilson at the White House for a discussion of this Liberian credit, the meeting having been arranged by Maj. Robert R. Moton, the principal of Tuskegee Institute, Alabama, who enjoyed the confidence and good will of the former President. In this group at the time also were Dr. Thomas Jesse Jones, secretary of the Phelps-Stokes Fund, and Dr. James H. Dillard, president of the

John F. Slater and Anna T. Jeanes Funds, both white men of high character and devotion to the best interests of white and colored people alike.

Also, in 1919, when President-elect King, of Liberia, came to America, and again in 1921, when he came as President of the Republic of Liberia, I was personally requested by officials of the State Department to cooperate with them in working out plans for the entertainment of these guests of the United States. I did so.

For years I have been deeply interested in the welfare of Liberia. I have been actuated, however, solely by a genuine interest in the struggles of the little Republic on the West Coast of Africa. I have never at any time sustained to the Liberian Government or Liberian officials any relationship based upon contracts or understandings to the effect that I am to receive money from the Liberian Government.

It is therefore exceedingly unfair for the junior Senator from Mississippi to publicly make a statement manifestly intended to unfavorably reflect upon me when he could most easily have been directly and correctly informed as to the facts in the matter.

It is also most unfair to the junior Senator from Mississippi for him to have been made the dupe of certain negro politicians from his own State, who are seeking to feed personal grudges rather than to furnish the truth, and whose false representations have caused the Senator to make statements on the floor of the Senate which he, himself, confesses he is unable to prove.

Sincerely yours,

EMMETT J. SCOTT.

Mr. POMERENE. Mr. President, there were extensive hearings on the Liberian loan joint resolution before the House committee, and the print of those hearings has been exhausted. There is one very serious question which has come up in connection with the joint resolution, as to whether or not there is a moral obligation on the part of the Government of the United States to make the loan. I feel, at least, that it is necessary that I have an opportunity to read those hearings in order that I may be able to determine that question for myself, and I believe there are other Senators who feel similarly about it. So I suggest that those hearings be reprinted so that we can have the benefit of them before the joint resolution comes up again for further consideration.

Mr. CURTIS. I think the committee has full authority to have those hearings printed, and the request will be presented to the committee at the first meeting.

Mr. POMERENE. Very well.

## SUPPRESSION OF MOR VIOLENCE.

Mr. SHORTRIDGE. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 13) to assure to persons within the jurisdiction of every State equal protection of the laws, and to punish the crime of lynching.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. HARRISON. The motion, of course, is debatable.

The VICE PRESIDENT. The Chair understands that the motion is debatable. The question is on the motion of the Senator from California.

Mr. MYERS. Mr. President, understanding that the motion is debatable, I desire to make some remarks upon the criticism that has been directed in this Chamber toward the distinguished visitor to this country, Monsieur Clemenceau.

Mr. BORAH. Will the Senator yield while I make a request for unanimous consent? I think it will take only a moment.

Mr. MYERS. I yield with pleasure for that purpose.

## LAND TITLES IN NEW MEXICO.

Mr. BORAH. A few days since I moved to have returned to the Senate from the House the bill (S. 3855) to ascertain and settle land claims of persons not Indians within Pueblo Indian land, land grants, and reservations in the State of New Mexico. That bill has now been returned, and I ask unanimous consent that the votes by which the bill was ordered to a third reading and passed be reconsidered.

Mr. SHORTRIDGE. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. SHORTRIDGE. I made a motion, after having been recognized by the Chair, that the Senate take up and proceed immediately with the consideration of House bill 13.

The VICE PRESIDENT. That motion is before the Senate.

Mr. BORAH. This will not interfere with the Senator's motion. This is a request for unanimous consent. I do not desire to interfere with that bill.

Mr. SHORTRIDGE. I ask for a ruling from the Presiding Officer as to whether the matter now suggested by the Senator from Idaho will in any wise disturb my motion, which is before the Senate.

The VICE PRESIDENT. It will not, if the unanimous consent asked shall be given. The question is on the request for unanimous consent to reconsider the votes by which Senate bill 3855 was read the third time and passed. Is there objection? The Chair hears none, and the votes are reconsidered.

Mr. BORAH. I ask that the bill be referred back to the Committee on Public Lands and Surveys, which is the committee whence it came, I understand.



The VICE PRESIDENT. Without objection, it is so referred.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. The Senator from Montana has the floor.

Mr. HARRISON. Will the Senator from Montana yield?

Mr. MYERS. I yield.

Mr. HARRISON. Is it not in order now to move to take up another bill?

The VICE PRESIDENT. It is not. There is a motion pending to take up House bill No. 13.

#### VISIT OF M. CLEMENCEAU—FRANCE AND GERMANY.

Mr. MYERS. Mr. President, I desire at this time to make a few remarks upon the criticisms which have been directed in this Chamber toward our distinguished visitor in this country from France, M. Clemenceau. I do not intend to enter into any personal controversy between the distinguished Senator from Nebraska [Mr. HITCHCOCK] and our distinguished visitor, M. Clemenceau. I can not be satisfied, though, to let this occasion pass without uttering my dissent from the manner in which M. Clemenceau has been criticized and assailed from this Chamber. I can not let the opportunity pass by without some note of dissent being expressed on that criticism, and I emphatically dissent from it in a number of particulars. I would not be satisfied to let this day pass without some utterance in this Chamber in behalf of our distinguished visitor, M. Clemenceau, and the country from which he comes, France, even though it has to come from me and be expressed in my feeble way.

As I read the utterances of M. Clemenceau in this country up to the time that he was taunted by the Senator from Nebraska upon the fact that black troops are quartered by France upon German territory; until that time, as I read M. Clemenceau's utterances, the sum and substance of what he said was simply this: That we withdrew from Europe too soon; that we should have gone into the League of Nations and should be there now, taking part in the settlement of European affairs and the administration of justice in that section of the world. That is what it amounted to. He said we withdrew too soon. If we withdrew too soon, to which I assent, the only way we could have done it was by refusing to go into the League of Nations. We had no right to stay there after having failed to ratify the Versailles treaty and thereby enter into the League of Nations; and he said that we should be there now taking part in the settlement of European controversial affairs and seeing that justice is done there. The only way we could be there at this time engaged in that undertaking would be as a party to the Versailles treaty.

When M. Clemenceau says we withdrew from Europe too soon, that we should have gone into the League of Nations, and should now be in Europe taking part in affairs over there, I emphatically agree with him. I think he is right. I believe this country made the greatest mistake in its history when it refused to go into the League of Nations, and I believe it is every day becoming more and more apparent that it was a monumental mistake.

I voted to have the United States enter the League of Nations, both with and without reservations. I voted both ways—any way to get in. I think now that we should have gone in, either with or without reservations, one way or the other. I am still of the same opinion that I held when I registered my vote in favor of going into the League of Nations, either with or without reservations. I am amazed that a Senator who made so noble, gallant, and valiant a fight to have us go into the League of Nations as did the distinguished Senator from Nebraska [Mr. HITCHCOCK] should now assail M. Clemenceau for uttering the opinion to which I have referred. I can not understand it. It seems to me inconsistent, and I, for one, as one of the supporters of the League of Nations at that time and yet a supporter of it, wish to dissent from the criticism which was leveled at the utterances of M. Clemenceau.

M. Clemenceau said further that having withdrawn from Europe too soon we should now return there and take part in the settlement of European affairs, and in that statement I agree most emphatically. The only way we could return would be to apply to enter the League of Nations, and I am in favor of doing that. I am in hearty accord with M. Clemenceau when he expresses that sentiment. I see no hope at present of that being done. I can see no encouragement to hope that it will be done in the near future. Nevertheless, that is my opinion, and I shall continue to hold it.

M. Clemenceau said that Germany was preparing for another war, and in that utterance I believe he is eminently right and correct. I do not think there is any doubt about it. I

think there are many indications which prove it, and I think that France is justified in looking forward to that day and being prepared for it.

There is a good deal of criticism in this country, and some of it has been voiced on the floor of this Chamber, against France for maintaining a standing army of the size she now maintains. I contend that if we had gone into the League of Nations with all of our great power and prestige and were now a party to it, then if we had gone a step further, as President Wilson recommended and urged, and had become a party to a tripartite agreement between Great Britain, the United States, and France to resist any unjustified aggression upon France by Germany, then there would be no excuse for France maintaining an army of the size she now maintains. I believe undoubtedly that she would not in that event be maintaining it. There would then be no cause for it, no necessity for it, no justification for it. With the United States, with her great force and power and resources and prestige and commanding position, a party to the League of Nations, and with the tripartite agreement between Great Britain, the United States, and France, as urged by President Wilson, that all three should unitedly resist any unjustified aggression by Germany toward France, I do not suppose France would think of going to the expense of keeping up a standing army of the size that she now maintains. It is unreasonable to suppose she would.

Those things were intended to be a protection to France against aggression from Germany, but they were not done and, as M. Clemenceau said, I think we did not do our duty toward France and toward the nations of the world; we did not do our duty toward maintaining the peace of the world; and, having not done that, having not entered into the League of Nations, and having not entered into the tripartite agreement recommended by President Wilson, which I think, from the standpoint of France, was even more important than the League of Nations, and which I was quite as anxious to see entered into as I was to see us enter into the League of Nations, what is France to do besides prepare to protect herself from the day which inevitably must come and which I believe everybody thinks is coming when a rehabilitated and revived Germany will renew her age-long war against France and have France at her mercy? That is the reason, I have no doubt, why France maintains a standing army of the size of her present army. I believe she is justified in her fears, in her expectations, and in her preparation. If France does not help herself, she can not expect anybody else to help her.

I think that up to the time M. Clemenceau was taunted about the quartering of colored troops in Germany he was substantially right in what he said, and I am glad to have him come here and glad to have him say it. I welcome him to this country. I am not content to see him and his country, the historic friend of our country, assailed and to hear expressions of sympathy with Germany on the floor of the Senate without uttering my humble dissent therefrom. Nobody can wring out of me one particle of sympathy for Germany. I have no sympathy for Germany. It grieves me beyond expression to hear sympathy for Germany expressed on the floor of this Chamber and to hear France condemned. France has been our historic friend. If it had not been for France we might now be a subject province of Great Britain. It is not unlikely. At least it is safe to say that if France had not come to our rescue during the Revolutionary War that war would not have been successful; George Washington, John Adams, and John Hancock would doubtless have been hung as traitors and the day of deliverance of the Colonies of America from British subjugation must at least have been delayed for many years. If that revolution had been crushed—and I believe it would have been crushed had it not been for the friendly intervention of France—it would have been many years, and doubtless generations, before we, with our added growth and increase of population and power, could have worked up another revolution against Great Britain. It would have been many years before the spirit of the colonists would have been sufficiently revived to stage another revolution against the dominion of Great Britain. It is safe to say that had it not been for the friendship of France it would have been many years before the Colonies would have been free from British rule, and possibly would not now be free. We might to-day be British subjects, subject to taxation without representation, and that debt of gratitude to France can never be wiped out by the lapse of any length of time.

On the other hand, what did Germany do during the Revolutionary War? She sent her hired Hessian troops here to fight the struggling colonists in their uneven conflict with Great Britain. She sent her hired Hessian troops here to fight us, and they fought for blood money, for pay, to try to keep us



under the continued domination of Great Britain. France was our friend. France was the first nation in all the world to recognize the struggling Colonies in their revolution against Great Britain. France came to our succor at a time when the little handful of bleeding, starving, desperate colonial troops under George Washington were struggling against the heavy weight of the superior numbers of British soldiers. France made possible by that act our independence from Great Britain, and at the same time Germany was furnishing her hired Hessians for blood money to try to keep us under the British yoke. Those Hessians who came over here were not volunteers. They came at the behest and by the order of their Government. It was an official act of their Government which sent them here, and their Government was to get, and did get, the blood money which was paid for their coming over here to try to thwart the struggles of the colonists to free themselves from the dominion of Great Britain. There you have the records of the two countries, France and Germany.

So it has ever been. France has been the friend of this country. We have always maintained friendly relations with France. During the World War France threw herself across the bloody pathway of Germany and took a heroic part in the determined effort to keep Germany from conquering the world and destroying civilization, while Germany was engaged in sinking the *Lusitania* and various American vessels, contrary to the rules of international law, thus virtually waging war upon noncombatants of this country.

It saddens me to hear on the floor of this Chamber sympathy expressed with Germany and the German people and condemnation for France and the French people, whom M. Clemenceau comes here to represent. In any controversy between Germany and France my sympathies are wholly with France.

I am not, either, going to let the opportunity pass of expressing that sympathy when I hear France condemned on the floor of this Chamber, and hear her distinguished citizen, who is within our borders, assailed.

As to the charge which has been made that France is quartering negro troops on German soil, I do not see that that is any of our concern. We refused to go into the League of Nations, where we might have had a voice in all of those details. If we were now a member of that league, and thought that was wrong, which I do not, we would have had an opportunity of bringing attention to it, and uttering a dissent, if this country wished to do so. So far as I am concerned, I would not; but we refused to go into the League of Nations, and I can not see that it is any of our business now what troops France keeps quartered on German soil. That is an affair between Germany and France and with nations which are in the League of Nations, if they wish to take cognizance of it. I can not see that we have any right to take part in any quarrel now between Germany and France. I am certainly not going to countenance our taking part in it on the side of Germany. I can not see that we have any justification for dragging into this Chamber quarrels between France and Germany and virtually taking the part of Germany in those quarrels. I do not think we have any right to be heard in reference to any such matter.

So far as that is concerned, I do not see any great indignity in the action of France in keeping Algerian, Moroccan, or negro troops on German soil; at least I do not see anything in it to cause any indignation within my breast; it does not start any flame of indignation or resentment in my bosom. I do not feel called upon to rebuke it; and I do not believe anybody in this country has any cause to rebuke it.

It appears that there are about 400 negro troops quartered in Germany. Well, we have had negro companies and negro regiments quartered on the people of this country. We have quartered them on the Mexican border; we have had them stationed in Montana; we have had them stationed at various other places in this country. Are we to be more tender of the sensitive feelings of Germany than we are of those of our own people? Are we by our assent to say that it is all right to quarter colored troops in this country and yet that it is an unspeakable outrage to quarter them on Germany? Are we to hold the people of Germany in higher esteem and to give them greater consideration than we do the people of our own country?

I say that Germany is in no position to make a protest about colored troops being quartered on her soil, whether they be Moroccans, Algerians, or negro troops. In view of the shockingly fiendish, the unspeakable and almost unimaginable horrors and atrocities wantonly and continually perpetrated by German troops upon noncombatant men, women, and children in Belgium and France during the World War, atrocities which sicken the human heart when one reads about them, I say that Germany is in no position to whine and to whimper and play the baby act about 400 negro troops and some Moroccan and

Algerian troops being quartered on German territory. So far as I am concerned, I would have no objection if all the troops quartered on German soil by the Entente Allies were the blackest negroes from the jungles of Africa. Germany would not then be getting what she deserves. There is such a thing as just retribution and punishment. Germany willfully, deliberately, and premeditatedly brought on this world the greatest calamity that has occurred since the days of the flood; a calamity which resulted in the destruction of more life and caused more misery and more suffering than any other calamity since the days of the flood; and Germany deserves adequate punishment for that offense.

As to the question of whether or not the reparations which have been imposed upon Germany by the League of Nations are too great, I do not know that they are; I do not say that they are too great. They may be greater than it is practicable or workable to impose right now or to collect in the next few years, but Germany should be required to pay them if it may take the next hundred years to make her do so. If she has to work for the next hundred years and devote all of the profits of her labor to pay those reparations, she would not then pay what ought to be collected from her. Probably they can not be collected within the next few years, but every dollar of those reparations should be ultimately collected; and whether they are more than can be collected or not they are not nearly what Germany deserves to have to pay. I have no sympathy with her in her whining plea that her burden is greater than she can bear. She had time to think about that when she was plunging the world into a catastrophic maelstrom of death and destruction and was engaged in her fiendish work of ravaging, ravishing, burning, destroying, demolishing, in a mad frenzy of hate, in France and Belgium; when she was sinking the *Lusitania* and waging war on noncombatants of this country; when she was waging her devilish ruthless submarine warfare.

There are terms that should have been imposed upon Germany which have not been imposed upon her. Every dollar of the German Kaiser's fortune should be taken away from him by the Entente Allies; he should be stripped of every dollar that he has and rendered penniless and required to go out and work at hard manual labor the remainder of his life for the necessities of life. Every dollar of the fortune of Hugo Stinness should be taken away from him and applied to the reparations that are due France, Belgium, Great Britain, Italy, and other countries of the entente. The German Kaiser is marrying, making merry, eating, drinking, feasting, and dancing, while his victims writhe in torture or suffer the pangs of hunger and untold want. He is reputed to be one of the richest men in the world. I repeat that every dollar of his money should be taken away from him; he should be stripped of every penny of his fortune, and it should be applied to the reparations due France and other countries wronged by Germany and to the payment of damages to this country for the sinking of the *Lusitania* and various other indignities and losses inflicted unlawfully upon our people by Germany. Every dollar of the fortunes of the sons-in-law and relatives of the entire royal family of Germany should be taken away from them and they should all be applied to indemnities. Until that is done there will not be justice meted out. Every dollar owned by the war lords of Germany should be taken away from them and applied to reparations. While the terms imposed upon Germany may not be workable for the present, I think, if she can not pay now those terms should be held over her and she should be required to pay them in time, if it takes her a hundred years in which to do so.

No, Mr. President, I have no manner of sympathy with Germany, and I have no sympathy with the criticism which has been leveled against M. Clemenceau's remarks in this country to the effect that the United States should be in Europe to-day in the League of Nations, taking part in the settlement of affairs over there, and to the effect that Germany is preparing to wage another war on France.

I do not think there is any manner of doubt that Germany is preparing to wage another war on France. I think that her children are being taught now that when they grow up their highest and first duty will be to renew the war of extermination upon their ancient and hated enemy, the people of France. They are being "fed up" on it and educated on it. Everything goes to indicate that to be the intention, and, if this country remains out of the League of Nations and remains out of the tripartite agreement which President Wilson urged us to enter into for the protection of France, I do not believe it will be 20 years until Germany renews her war with France. I think Germany is hoping that we will stay out of the League of Nations and out of the proposed tripartite agreement and



out of European affairs, in order that she may be all the more free to renew the war against France. If we were in the League of Nations and in the tripartite agreement which President Wilson recommended, I do not believe there would be any danger of Germany renewing the war against France for an untold length of time, for the next hundred years, or so long as those arrangements might last. But we are not in the League of Nations; we are not in any tripartite agreement with France and Great Britain, and I think that gives Germany hope in her preparations to wage the next war against France.

When she shall again declare war against France—and I am satisfied she will—I think she will be very careful to try not to draw us into it and to avoid treading upon our rights or giving any offense to this country, in order that she may exterminate France. I believe Germany realizes that she made a mistake in her ruthless submarine warfare on the merchant vessels of peaceful nations. I believe she realizes if she had not done that and had not drawn us into the World War the Central Powers would have won the war. I do not think there is any doubt that they would, and I think that Germany believes that, had it not been for the United States, she would at this time have the people of Europe under her feet, and, probably, having conquered and subjugated them, would next turn her guns upon the United States and hope to subjugate this Nation, and then realize her dreams for the subjugation of the world. I think she is preparing to avoid that mistake this time, preparing slyly, craftily, and in an underhand way.

As to the plea about France's quartering 400 negro troops and some Moroccan and Algerian troops on German soil, and as to the alleged facts, the reported facts, which the Senator from Nebraska read about keeping brothels there for the benefit of those troops, that is not so bad as was the action of the German soldiers in forcibly raping young women and married women in France and Belgium by wholesale during the war; capturing and carrying around with them as captives companies of Belgian and French young women for the purpose of being forced to submit further to their carnal desires and fiendishness. I say it is not so bad as the atrocities which the German troops perpetrated upon their helpless victims during the war.

Yes; I suppose it is too bad that black troops should be quartered upon such refined, cultured, esthetic people as are the German people; people who were so refined during the war with France and Belgium; whose troops grabbed infants a few weeks or a few months old out of the arms of their mothers in France and Belgium, and dashed out their brains on stone pavements before the eyes of their agonized mothers; who had no scruples in picking up little French and Belgian babies on their bayonets, and walking away singing "Deutschland Uber Alles" to the rhythmic motion of French and Belgian babies twirling around on their bayonets; who had no scruples about ravishing French and Belgian matrons and young women, and cutting out their breasts and throwing them on the ground, and imparting to them venereal diseases; all of which things have been incontrovertibly established.

I think the Senator from Nebraska should read Dr. Newell Dwight Hillis's book about German atrocities practiced in France and Belgium during the war. Doctor Hillis—one of the most noted divines of this country, a man of the highest standing and unquestioned honor—went over to Europe immediately after the armistice and personally investigated the charges of fiendish atrocities, unsurpassed by the atrocities practiced by the aboriginal American Indians upon their victims, reported to have been practiced by German soldiers upon helpless non-combatant old men, women, and children of France and Belgium during the war. Doctor Hillis spent months over there in investigating those charges, and returned to this country and wrote a book in which the commission of those atrocities in all of their horrible details was established by affidavits, records, indisputable evidence, beyond all controversy. And yet it is too bad that the esthetic and refined feelings of the people of Germany are to be offended by having 400 negro troops and some Moroccan and Algerian troops quartered upon their soil until they comply in some measure with the penalties and payment of reparations adjudged against them by the Entente Allies.

I do not want to see Germany destroyed. I want to see Germany have the privilege of working and manufacturing and producing and exporting and importing and engaging in commerce with all the world. I want to see her people make money, and then I want to see it taken away from them and applied upon the reparations due France and Belgium. I want the people of Germany to be earning; I want them to have the privilege of earning, and then I want to see the money they earn taken and applied where by all right and justice it should go for many, many years to come. I do not want to see Ger-

many destroyed. I want to see Germany become normal, and produce to its full capacity, and resume business with the world, and I believe in giving her a chance to do it; but, at the same time, I believe that Germany should be made to the uttermost measure possible to comply with the terms adjudged against her by the Entente Allies, and made pay at least a small part of what is due from her to France, Belgium, Great Britain, and other countries of the Entente.

I want to see that done, and I do not want to see any obstacles thrown in the pathway of it; but I do not want to hear, without one word of protest from this body, the great statesman from France, M. Clemenceau, assailed and criticized for coming over here and saying that we should now be in the League of Nations, and should now be taking part in the settlement of European affairs, and helping bring about peace and a settled condition of affairs over there. I believe M. Clemenceau has a right to come over here; and except as to his controversy with the Senator from Nebraska [Mr. Hitchcock] about quartering colored troops in Germany, in which he became somewhat personal, I in the main subscribe to what M. Clemenceau has said over here. I think we should welcome him and do him honor as a representative of a great nation, instead of criticizing and assailing him.

I believe that M. Clemenceau is within his rights, and I am sorry to hear condemnation of him and sorry to see in reply anything like sympathy with Germany expressed in this country, and especially on the floor of this Chamber.

I have very high regard for the esteemed Senator from Nebraska [Mr. Hitchcock]. I regret very much that this body is not much longer to have the benefit of his great ability and talents. I was disappointed beyond my powers to express my feelings when I learned that he was not much longer to remain in this body. He has been of great service here. I have high regard for his ability as well as for him. He made a noble, splendid, valiant fight on the floor of this Chamber to have the Versailles treaty ratified and to have the United States enter the League of Nations. He rendered invaluable service to the people of this country in his labors to have enacted the existing Federal banking and currency law, one of the best laws that has been enacted in this country in all of its history, in my opinion, and I believe the best banking and currency law that exists in the world. In my opinion, much of the credit for that law is due to the distinguished Senator from Nebraska, along with other able and eminent Members, both Democratic and Republican, of the Senate Committee on Banking and Currency. In many ways the Senator from Nebraska has been of great service to the people of this country and I am loath to see him leave this body; but it does seem to me that it is inconsistent in him now to assail M. Clemenceau for saying that we should be in the League of Nations and should be taking our due part in settling the affairs of Europe, and for his expression of hope, in effect, that we will yet enter the League of Nations and take part in seeing justice done in Europe. It seems to me that it is unfair and unjust; and I have taken this occasion to express in my feeble way my dissent from it and to utter in my humble way a few words in behalf of our distinguished visitor, M. Clemenceau, and the people of the country from which he comes.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. REED of Pennsylvania in the chair). The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Gooding	New	Stanley
Bayard	Hale	Nicholson	Sterling
Brandegee	Harris	Norris	Sutherland
Broussard	Harrison	Overman	Swanson
Calder	Heflin	Owen	Townsend
Cameron	Jones, N. Mex.	Page	Underwood
Capper	Kellogg	Pittman	Wadsworth
Caraway	Keyes	Pomerene	Walsh, Mass.
Curtis	Ladd	Reed, Mo.	Walsh, Mont.
Dial	La Follette	Reed, Pa.	Warren
Edge	Lodge	Sheppard	Watson
Fernald	McCumber	Shortridge	Weller
Fletcher	McKellar	Simmons	Willis
France	McKinley	Smith	
Frelinghuysen	McNary	Smoot	
George	Myers	Spencer	

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. A quorum is present.

Mr. DIAL. I ask unanimous consent to call up an uncontested bill. It will not provoke any debate.

Mr. SMOOT. I will object at this time.

#### CLEMENCEAU AND FRENCH POLICY.

Mr. OWEN. Mr. President, M. Clemenceau is a greatly honored former Premier of France. He comes evidently with the approval of the French Government and with world-wide pub-



licity announcing his coming. He has arrived in New York and been received with great cordiality by citizens of the United States on a mission of importance.

He comes making an appeal to America. He thinks we left Europe without sufficient cause and that we left too soon. He desires the American Government, with the backing of the American people, to take part in restoring distracted Europe, and says that he does not know what he wants us to do, but he wants our help, and he wants it at once, and he thinks we may have an armchair at Lausanne if we ask for a seat at that conference.

It seems worth while to submit an observation upon this visit of M. Clemenceau and to call his attention and the attention of the French people and of the people of Europe to what I believe to be the principal causes of the present disturbed condition of Europe and the only practical remedies by which their prosperity can be promptly restored.

The visit of M. Clemenceau may be of great value if it shall lead to the discussion of these matters frankly, honestly, and fearlessly.

We keenly and deeply sympathize with the French people, with their great sufferings. We have deplored the wanton invasion of France by the German military dynasty in 1871 and the more cruel invasion by the same forces in 1914.

We know how cruelly they have suffered from the German invasion. We have walked over many places in the devastated areas. We have seen the ruined cities and villages and are very sympathetic with them in promoting their future security, peace, and prosperity, and if mistakes in judgment are made by leaders of French opinion it should be remembered that similar mistakes are made by other leaders of all the nations of the earth and that such mistakes should be considered with patience and moderation. The French people, like the people of other nations, should not be made responsible for the error of their leadership if there be error, as we think there has been, and Clemenceau's visit will help to clear the atmosphere because now we can discuss these questions more serenely than when the differences occurred.

We make a wide distinction between the German people and the military dynasty which governed the German people regardless of the consent of the governed. We do not mean by this that there was any open revolt of the German people against this overwhelming, dominating, governing power, because there was little or none, but we can not help but think of the utterly helpless attitude of the young men of Germany when they were called to the colors by the order of mobilization of Wilhelm II.

A young German had his option of responding to this call promptly, efficiently, faithfully, or facing a German court-martial and a firing squad. A German boy had no option except to come, and when he came he had his choice of coming singing or weeping. He chose to sing and to come and do his utmost to win a victory under the German flag which he had been taught to love and to revere as the badge of a happy, honorable fatherland. He answered the voice of patriotism; he followed the only leadership he knew, and with infinite pathos went to his young death. Seven millions of the German youth fell in battle, and the Imperial Government finally met with a crushing defeat at the hands of those who loved justice and liberty throughout the world.

With the young soldiers of other lands—of France, of Britain, of Italy—it was the same. The Fatherland called; they came, they fought, they died for what they believed to be their duty to Fatherland.

Clemenceau senses correctly that American opinion has been slowly growing to be unsympathetic with the leadership of France. There is a profound cause for it which ought to be explained to the French people. For this reason these observations are submitted to the public records in order that French leaders may realize why the United States has withdrawn from Europe and does not wish to return until the European leaders exhibit a heartfelt respect for the opinions of America.

The American opinion was expressed in the address of the President of the United States of April 2, 1917, when he advised the Congress of the United States that the time had arrived to enter the World War. This address to the Congress of the United States was the culmination of German aggression and of conferences which had taken place between the representatives of the Entente Allies and the authorities of the United States and the principles for which we entered this war were then acquiesced in and applauded by the leaders of the Entente Allies and they are bound morally and ethically and under the principle of right to support these doctrines upon which we entered the war in cooperation with them, they declaring at the same time that they were moved by the same principles.

What were these principles, Mr. President? Woodrow Wilson stated them in his message of April 2, 1917, when he said (CONGRESSIONAL RECORD, vol. 55, p. 103):

Our object now, as then, is to vindicate the principles of peace and justice in the life of the world as against selfishness and autocratic power and to set up amongst the really free and self-governing people of the world such a concert of purpose and of action as will henceforth assure the observance of these principles \* \* \*

We are at the beginning of an age in which it will be insisted that the same standards of conduct and of responsibility for wrong done shall be observed among nations and their governments that are observed among the individual citizens of several states.

We have no quarrel with the German people. We have no feeling toward them but one of sympathy and friendship. It was not upon their impulse that their Government acted in entering this war. It was not with their previous knowledge or approval. It was a war determined upon as wars used to be determined upon in the old, unhappy days when peoples were nowhere considered by their rulers and wars were provoked and waged in the interest of dynasties or of little groups of ambitious men who were accustomed to use their fellow men as pawns and tools.

Woodrow Wilson pointed out the impossibility of friendship with the Prussian autocracy, its secret methods, its spies, its intrigues, its ambitions and greedy purposes, and he said:

We are accepting this challenge of hostile purpose because we know that in such a Government, following such methods, we can never have a friend; and that in the presence of its organized power, always lying in wait to accomplish we know not what purpose, there can be no assured security for the democratic governments of the world. We are now about to accept gauge of battle with this natural foe to liberty and shall, if necessary, spend the whole force of the Nation to check and nullify its pretensions and its power. We are glad now that we see the facts with no veil of false pretense about them, to fight thus for the ultimate peace of the world and for the liberation of its peoples, the German peoples included; for the rights of nations, great and small, and the privilege of men everywhere to choose their way of life and of obedience. The world must be made safe for democracy. Its peace must be planted upon the tested foundations of political liberty. We have no selfish ends to serve. We desire no conquests, no dominion. We seek no indemnities for ourselves, no material compensation for the sacrifices we shall freely make. We are but one of the champions of the rights of mankind. We shall be satisfied when those rights have been made as secure as the faith and the freedom of nations can make them.

We spent \$40,000,000,000 and we asked no indemnities whatever. We asked no territory. We lost tens of thousands of our best beloved youth to establish these principles, and we only asked justice for all peoples, Germans as well as French, Turks as well as British. We have been disappointed.

We are not content to see them disregarded by the Entente Allies in any respect. We had a right and we have a right now to expect and to demand recognition of these broad principles of justice as a condition of the further cooperation which Clemenceau now desires.

There should never be forgotten the conditions upon which the armistice of November 11, 1918, was sought and obtained. These conditions represented the views of the Government of the United States, voiced by the President of the United States, not only with the approval of the American people and of Congress but approved by the British Government and the French Government and the Entente Allies. These conditions were transmitted to the German Government and the German people through the Swiss minister by Robert Lansing, the Secretary of State of the United States, on the 5th of November, 1918, which I ask to have printed in the Record in 8-point type.

There being no objection, the matter was ordered to be printed in the Record in 8-point type, as follows:

"Sir: I have the honor to request you to transmit the following communication to the German Government:

"In my note of October 23, 1918, I advised you that the President had transmitted his correspondence with the German authorities to the Governments with which the Government of the United States is associated as a belligerent, with the suggestion that, if those Governments were disposed to effect peace upon the terms and principles indicated, their military advisers and the military advisers of the United States be asked to submit to the Governments associated against Germany the necessary terms of such armistice as would fully protect the interests of the peoples involved and insure to the associated Governments the unrestricted power to safeguard and enforce the details of the peace to which the German Government had agreed, provided they deemed such an armistice possible from the military point of view.

"The President is now in receipt of a memorandum of observations by the allied Governments on this correspondence, which is as follows:

"The allied Governments have given careful consideration to the correspondence which has passed between the President of the United States and the German Government. Subject to the qualifications which follow, they declare their willingness to make peace with the Government of Germany on the terms of peace laid down in the President's address to Congress of January, 1918, and the principles of settlement enunciated in



his subsequent addresses. They must point out, however, that clause 2, relating to what is usually described as the freedom of the seas, is open to various interpretations, some of which they could not accept. They must, therefore, reserve to themselves complete freedom on this subject when they enter the peace conference.

"Further, in the conditions of peace laid down in his address to Congress of January 8, 1918, the President declared that invaded territories must be restored as well as evacuated and freed, and the allied Governments feel that no doubt ought to be allowed to exist as to what this provision implies. By it they understand that compensation will be made by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air."

Mr. OWEN. The allied Governments gave careful consideration to this correspondence between the President and the German Government, and they declared to the President of the United States that they were willing to make peace with the Government of Germany on the terms of the peace laid down in the President's address to Congress of January 8, 1918, and the principles of settlement enunciated in his subsequent addresses. Some of the 14 points and principles they did carry out, but in many instances and in details they failed to carry them out and pursued a contrary policy, a policy calculated to injure the German people commercially and financially, and violated the agreement to permit Germany to have "a place of equality among the peoples of the world."

It was this address of the President of the United States of January 8, 1918, and the 14 points which appealed to the German people as people, and we took infinite pains to have this address of the President of the United States scattered by airplanes behind the German lines and to give for it publicity among the German people, and these German people had a right to rely, not only upon the good faith of the United States Government and the good faith of the people of the United States, but they had a right to rely upon the good faith of the Governments of the Entente Allies and of the people of the Entente Allies to carry out the principles upon which the armistice was based.

The German Government and the German people accepted these conditions and laid down their arms. It became a binding contract of honor made upon the battle field, binding France and the Entente Allies and Germany alike. A failure to carry out the terms of the contract has been followed by evil consequence.

The President's address to Congress of January 8 is of such importance in construing this agreement on the part of the United States and the Entente Allies with the German Government that I think it is proper to present it again, and I ask to have it printed in the *Record* in 8-point type.

There being no objection, the matter was ordered to be printed in the *Record* in 8-point type, as follows:

PRESIDENT WILSON'S ADDRESS TO CONGRESS, JANUARY 8, 1918.

"Gentlemen of the Congress, once more, as repeatedly before, the spokesmen of the Central Empires have indicated their desire to discuss the objects of the war and the possible bases of a general peace. Parleys have been in progress at Brest-Litovsk between Russian representatives and representatives of the Central Powers, to which the attention of all the belligerents has been invited for the purpose of ascertaining whether it may be possible to extend these parleys into a general conference with regard to terms of peace and settlement. The Russian representatives presented not only a perfectly definite statement of the principles upon which they would be willing to conclude peace, but also an equally definite program of the concrete application of those principles. The representatives of the Central Powers, on their part, presented an outline of settlement which, if much less definite, seemed susceptible of liberal interpretation until their specific program of practical terms was added. That program proposed no concessions at all, either to the sovereignty of Russia or to the preferences of the populations with whose fortunes it dealt, but meant, in a word, that the Central Empires were to keep every foot of territory their armed forces had occupied—every Province, every city, every point of vantage—as a permanent addition to their territories and their power. It is a reasonable conjecture that the general principles of settlement which they at first suggested originated with the more liberal statesmen of Germany and Austria, the men who have begun to feel the force of their own peoples' thought and purpose, while the concrete terms of actual settlement came from the military leaders, who have no thought but to keep what they have got. The negotiations have been broken off. The Russian

representatives were sincere and in earnest. They can not entertain such proposals of conquest and domination.

"The whole incident is full of significance. It is also full of perplexity. With whom are the Russian representatives dealing? For whom are the representatives of the Central Empires speaking? Are they speaking for the majorities of their respective parliaments or for the minority parties, that military and imperialistic minority which has so far dominated their whole policy and controlled the affairs of Turkey and of the Balkan States which have felt obliged to become their associates in the war? The Russian representatives have insisted, very justly, very wisely, and in the true spirit of modern democracy, that the conferences they have been holding with the Teutonic and Turkish statesmen should be held within open, not closed, doors, and all the world has been audience, as was desired. To whom have we been listening, then? To those who speak the spirit and intention of the resolutions of the German Reichstag of the 9th of July last, the spirit and intention of the liberal leaders and parties of Germany, or to those who resist and defy that spirit and intention and insist upon conquest and subjugation? Or are we listening, in fact, to both, unreconciled and in open and hopeless contradiction? These are very serious and pregnant questions. Upon the answer to them depends the peace of the world.

"But, whatever the results of the parleys at Brest-Litovsk, whatever the confusions of counsel and of purpose in the utterances of the spokesmen of the Central Empires, they have again attempted to acquaint the world with their objects in the war and have again challenged their adversaries to say what their objects are and what sort of settlement they would deem just and satisfactory. There is no good reason why that challenge should not be responded to, and responded to with the utmost candor. We did not wait for it. Not once, but again and again, we have laid our whole thought and purpose before the world, not in general terms only, but each time with sufficient definition to make it clear what sort of definitive terms of settlement must necessarily spring out of them. Within the last week Mr. Lloyd-George has spoken with admirable candor and in admirable spirit for the people and Government of Great Britain. There is no confusion of counsel among the adversaries of the Central Powers, no uncertainty of principle, no vagueness of detail. The only secrecy of counsel, the only lack of fearless frankness, the only failure to make definite statement of the objects of the war, lies with Germany and her allies. The issues of life and death hang upon these definitions. No statesman who has the least conception of his responsibility ought for a moment to permit himself to continue this tragical and appalling outpouring of blood and treasure unless he is sure beyond a peradventure that the objects of the vital sacrifice are part and parcel of the very life of society, and that the people for whom he speaks think them right and imperative as he does.

"There is, moreover, a voice calling for these definitions of principle and of purpose which is, it seems to me, more thrilling and more compelling than any of the many moving voices with which the troubled air of the world is filled. It is the voice of the Russian people. They are prostrate and all but helpless, it would seem, before the grim power of Germany, which has hitherto known no relenting and no pity. Their power, apparently, is shattered. And yet their soul is not subservient. They will not yield either in principle or in action. Their conception of what is right, of what is humane and honorable for them to accept, has been stated with a frankness, a largeness of view, a generosity of spirit, and a universal human sympathy which must challenge the admiration of every friend of mankind; and they have refused to compound their ideals or desert others that they themselves may be safe. They call to us to say what it is that we desire, in what, if in anything, our purpose and our spirit differ from theirs; and I believe that the people of the United States would wish me to respond with utter simplicity and frankness. Whether their present leaders believe it or not, it is our heartfelt desire and hope that some way may be opened whereby we may be privileged to assist the people of Russia to attain their utmost hope of liberty and ordered peace.

"It will be our wish and purpose that the processes of peace, when they are begun, shall be absolutely open and that they shall involve and permit henceforth no secret understandings of any kind. The day of conquest and aggrandizement is gone by; so is also the day of secret covenants entered into in the interest of particular governments and likely at some unlooked-for moment to upset the peace of the world. It is this happy fact, now clear to the view of every public man whose thoughts do not still linger in an age that is dead and gone, which makes



it possible for every nation whose purposes are consistent with justice and the peace of the world to avow now or at any other time the objects it has in view.

"We entered this war because violations of right had occurred which touched us to the quick and made the life of our own people impossible unless they were corrected and the world secured once for all against their recurrence. What we demand in this war, therefore, is nothing peculiar to ourselves. It is that the world be made fit and safe to live in; and particularly that it be made safe for every peace-loving nation which, like our own, wishes to live its own life, determine its own institutions, be assured of justice and fair dealing by the other peoples of the world as against force and selfish aggression. All the peoples of the world are in effect partners in this interest, and for our own part we see very clearly that unless justice be done to others it will not be done to us. The program of the world's peace, therefore, is our program; and that program, the only possible program, as we see it, is this:

"I. Open covenants of peace, openly arrived at, after which there shall be no private international understandings of any kind, but diplomacy shall proceed always frankly and in the public view.

"II. Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

"III. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

"IV. Adequate guaranties given and taken that national armaments will be reduced to the lowest point consistent with domestic needs.

"V. A free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the Government whose title is to be determined.

"VI. The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest cooperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

"VII. Belgium, the whole world will agree, must be evacuated and restored, without any attempt to limit the sovereignty which she enjoys in common with all other free nations. No other single act will serve as this will serve to restore confidence among the nations in the laws which they have themselves set and determined for the government of their relations with one another. Without this healing act the whole structure and validity of international law is forever impaired.

"VIII. All French territory should be freed and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly 50 years, should be righted, in order that peace may once more be made secure in the interest of all.

"IX. A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.

"X. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development.

"XI. Rumania, Serbia, and Montenegro should be evacuated; occupied territories restored; Serbia accorded free and secure access to the sea; and the relations of the several Balkan states to one another determined by friendly counsel along historically established lines of allegiance and nationality; and international guaranties of the political and economic independence and territorial integrity of the several Balkan states should be entered into.

"XII. The Turkish portions of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guaranties.

"XIII. An independent Polish State should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

"XIV. A general association of nations must be formed under specific covenants for the purpose of affording mutual guaranties of political independence and territorial integrity to great and small States alike.

"In regard to these essential rectifications of wrong and assertions of right we feel ourselves to be intimate partners of all the governments and peoples associated together against the imperialists. We can not be separate in interest or divided in purpose. We stand together until the end.

"For such arrangements and covenants we are willing to fight and to continue to fight until they are achieved; but only because we wish the right to prevail and desire a just and stable peace such as can be secured only by removing the chief provocations to war, which this program does remove. We have no jealousy of German greatness, and there is nothing in this program that impairs it. We grudge her no achievement or distinction of learning or of pacific enterprise such as have made her record very bright and very enviable. We do not wish to injure her or to block in any way her legitimate influence or power. We do not wish to fight her either with arms or with hostile arrangements of trade if she is willing to associate herself with us and the other peace-loving nations of the world in covenants of justice and law and fair dealing. We wish her only to accept a place of equality among the peoples of the world—the new world in which we now live—instead of a place of mastery.

"Neither do we presume to suggest to her any alteration or modification of her institutions. But it is necessary, we must frankly say, and necessary as a preliminary to any intelligent dealings with her on our part, that we should know whom her spokesmen speak for when they speak to us, whether for the Reichstag majority or for the military party and the men whose creed is imperial domination.

"We have spoken now, surely, in terms too concrete to admit of any further doubt or question. An evident principle runs through the whole program I have outlined. It is the principle of justice to all peoples and nationalities, and their right to live on equal terms of liberty and safety with one another, whether they be strong or weak. Unless this principle be made its foundation, no part of the structure of international justice can stand. The people of the United States could act upon no other principle; and to the vindication of this principle they are ready to devote their lives, their honor, and everything that they possess. The moral climax of this the culminating and final war for human liberty has come, and they are ready to put their own strength, their own highest purpose, their own integrity and devotion to the test."

Mr. OWEN. By every principle of common honesty the United States and the Entente Allies were bound by the 14 points, which were not carried out in good faith. Clemenceau himself was quoted as deriding the 14 points after the fruits of this gigantic declaration of principle had been obtained through the armistice and the German Government had surrendered and was disarmed.

After the Germans were disarmed, Clemenceau was quoted in the public press as saying that "Moses only laid down Ten Commandments and Woodrow Wilson laid down 14 commandments." How witty and merry. How thoughtless and destructive. Moses led the Children of Israel out of the wilderness with the Ten Commandments, and the American people would have led the children of Europe out of the wilderness with the 14 points if leaders like Clemenceau, Lloyd-George, and others had, in perfect good faith, carried out these principles and covenants on which the surrender of the Germans was obtained.

But the Entente leaders have not carried them out. They wrote a treaty of victory and imposed conditions some of which are now believed to be impossible of fulfillment, and others which contain the seeds of future war and which were and are in flat violation of various of these pledges of the 14 points.

It is not necessary to regard Clemenceau and Lloyd-George as being willfully unfaithful because of this breach of faith in carrying out the 14 points. They are merely human beings, with human frailty, controlled by their environment, representing the leaders behind them and voicing the language of the old diplomacy of Europe, the diplomacy of strategic boundaries, of brute force, and of commercial advantages on land and sea. Blind leaders of the blind, piling up disaster and war from their failure to recognize the fundamental principles of justice between nations, every one of whom is equally entitled to life, liberty, the pursuit of happiness, the right to manage its own



affairs in its own way, and the right to international understanding and good will and the means to make these rights effective.

We have no sympathy with the abuse of the German people, the Russian people, the Turkish people by Clemenceau any more than of the British or French people by the Germans.

The 14 points represented the new order of reliance on justice and international good will rather than the old order, a reliance alone upon brute force.

The group behind Clemenceau put their faith in brute force, and therefore at Paris and Versailles they carried on a vigorous, strenuous campaign for the purpose of building up material forces which would strengthen France and weaken Germany, regardless of the principles of justice, in carrying out the 14 points to which they were so solemnly pledged.

Against these gigantic forces of self-interest moving the leadership of the Entente Allies in so large a measure Woodrow Wilson stood isolated and alone at Paris, the most pathetic, the most tragic figure the world has ever seen in the most gigantic crisis of all time. Woodrow Wilson went as the advocate of principles of international good will and understanding and justice and righteousness and self-government among men. He not only had to meet these great forces of the old order at Paris and Versailles, but even in this gigantic struggle in which he was engaged—and which has been so graphically portrayed by Ray Stannard Baker in his recent volumes of Woodrow Wilson and the World Settlement—Woodrow Wilson failed to receive the support from his own country which might have made it possible for him to have fully established the new order in writing this treaty. His failure was not due to his lack of effort, for his efforts brought him even at Paris to the point of physical collapse. At Paris his hands were weakened by attacks from America.

In order to hold up the hands of the President in his great struggle for justice on earth I offered the following Senate Concurrent Resolution No. 17, which, without reading, I ask to have printed in the Record in S-point type as an appendix.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. OWEN. The Senate and the House of Representatives acquiesced in the address of the President of January 8, 1918, with "prolonged applause."

Clemenceau and Lloyd-George and the Entente leadership wrote the treaty of Versailles, ignoring some of the important principles of the 14 points. They broke faith with the world and occupy in America the attitude now of asking America to come to Europe again to relieve them of the results of their own unwise conduct.

What do they want of America? We have a right to know.

Clemenceau and Lloyd-George wrote the treaty of Versailles in such form and of such substance that it did not secure ratification by the Senate of the United States. The concessions which they wrongfully extorted from Woodrow Wilson brought on a violent attack on the treaty itself in America, and American leaders asked themselves, Are we to pledge the powers of America to carry out this treaty of greed and fear and force framed in contravention of the 14 points, in contravention of the principles in which America believes? Are we to be made the instruments by which the wrongs done the conquered peoples shall be made permanent and effective?

No, Mr. President; Clemenceau, or rather the powers behind Clemenceau, have made a bed of thorns for themselves, and the end is not yet.

Mr. President, we are more than anxious that America and the American people, both for their own sakes and for the sake of the people of Europe, should do everything in their power to restore the European people to a condition of perfect peace and happiness, but America can not make wrong right. America can not be of great service to Europe until the statesmen of Europe are willing to recognize the fundamental principles upon which the peace and welfare of the people of the world must be founded. The evil consequences which have been brought upon Europe are largely due to the obsession of fear of the French people which was used by the French leaders to build up a program of French security by force and intrigue as against the program of Woodrow Wilson—of international justice and good will and the mutual guaranties of the covenant of the League of Nations.

The French policy as opposed to the 14 points may be briefly summarized as follows:

- (1) French military control of the Rhine.
- (2) A permanent alliance of the great powers to help France to hold it.
- (3) A group of smaller allies to menace Germany from the east.
- (4) Territorial revision of the German Empire.

(5) Crippling of the German political organization.

(6) Disarmament of Germany but not of the Allies.

(7) A crushing indemnity.

(8) Deprivation of economic resources.

(9) A set of commercial agreements preferential to France, prejudicial to Germany.

(10) Germany not allowed to enter the League of Nations.

(11) Cutting off German markets, and so forth.

The French people undoubtedly have been profoundly affected by a fear of future German aggression, and they are proposing to make sure their future defense by breaking Germany down by the above program, by going heavily armed, and by promoting the same spirit and policy in Poland, Rumania, Greece, Belgium, and so forth. The British and the French have been regarded as the real force behind the Greek-Turk war.

They have failed to carry out the treaty entered into at Washington between the nations to reduce competitive naval armaments. The French leadership is slowly isolating from the French Government the sympathy of the world in spite of the fact that the American people have felt a great and sentimental friendship for the people of France. A wide distinction must always be made between the people of a country and the governing forces of a country. France is pursuing a policy which threatens Europe with war or Bolshevism, or both, and the sooner the French statesmen realize the error of this short-sighted policy, the better it will be for the world, and the better it will be for the happiness and prosperity of the French people.

If Europe receives American help it will be upon the basis of absolute international justice, of international understanding, of international good will. Perhaps Clemenceau's visit may open the door. I wish this venerable statesman a welcome to America, and hope his visit will be pleasant and agreeable and that it may be useful in leading to a better understanding between the people of America and the people of France. America is not going to support a policy of greed and brute force and injustice between nations. America is going to stand for the new order upon the face of God's footstool. Clemenceau is believed in America to have extorted much from Woodrow Wilson in the treaty of Versailles in exchange for the League of Nations, but he has not made the American people agree to the extortions, although because of the covenant of the League of Nations a large body of American opinion was willing to give support to the treaty of peace, believing, as Woodrow Wilson seemed to believe, that the principles of the covenant would in time correct the unjust features which had been written into the treaty, as they did do in regard to Shantung and naval armaments.

Mr. President, every human being, I suppose, is a product of his training and environment, and it is easier for an American—living in the United States, where 48 sovereign States live side by side in peace and happiness under a just and generous Government, a Government of the people, by the people, and for the people—to see the value of such forces as are at work in America than it is for Clemenceau or the French leaders to believe that peace on earth can be maintained by moral force and that moral force is greater than physical force and that moral force can produce physical force which will be triumphant even in war, and yet if they should reflect upon it they would at last be driven to concede that it was the moral forces behind the Entente Allies that brought bayonets from the ends of the earth in defense of liberty and justice and actually won the late war. The old order of European diplomacy believed alone in military force, in strategic boundaries, in secret covenants, in intrigue, in balances of power, and so forth, and this doctrine has been so ground into the mind of Clemenceau it is difficult indeed, if not impossible, for him to understand the conquering power of the new forces which are going to govern and make safe the world and which have been written in the covenant of the league under the inspiration, leadership, and sacrifice of Woodrow Wilson, whose name, as time goes on, will rise in greater and greater dignity and honor.

Clemenceau believes in balances of power, in alliances versus alliances. He tells us the hope of the world is France, Great Britain, and the United States versus Germany, Russia, and Turkey.

Not so, my dear Clemenceau. The peace of the world is justice to all nations alike, great and small, and a recognition of the doctrine "Turkey for the Turks, Russia for the Russians, as well as France for the French." Political independence and territorial integrity for every nation. Let Great Britain and France and Greece get out of Turkey and stay out.

Over 50 nations are now members of the League of Nations. The injustices of Versailles should be corrected at once. Germany and Russia should be brought into the league. The



United States should enter the league or declare an approval of its principles.

The principles of the 14 points should be written into the Versailles treaty as agreed—and especially disarmament, down to the limit of domestic needs, should be speedily accomplished. The budgets should be balanced. A federal reserve system of Europe adopted. Gold enough to supply the system should be advanced by the European countries with the aid of \$500,000,000 of American gold. An international conference of business men should be annually assembled with a view to increasing production and distribution of commodities and teaching men of all nations to know and trust each other. The economic barriers should be removed between nations.

You can not hate a man you really know and who really knows you.

The need of the world is mutual understanding, mutual faith and good will. It will lead to peace and to prosperity of all men. The doctrine of Christ is the true doctrine. "Thou shalt love thy neighbor as thyself." If dear Clemenceau could teach his people to turn their backs on fear and hate, even the Germans would respond to these sentiments and America could then do much to help Europe.

Mr. President, one of the most remarkable appeals for peace has come with the signatures of the representatives of the organization of European War Veterans after their participation in the last annual convention of the American Legion. Among these resolutions are the following:

That all international agreements among Governments affecting the entire people shall be open and above board, with full publicity.

To oppose territorial aggrandizement.

That an international court be established to outlaw war.

To proceed as rapidly as conditions permit, and when the decrees of such courts become operative entirely disarm and disband armies and their forces and destroy the implements of warfare.

The organizations of the soldiers of the late World War can do more to teach sanity to public leaders than, perhaps, any other force, and I rejoice in these resolutions. They reflect the principles of the 14 points, and go further to outlaw war.

There should be international treaties by which the invasion of the territory of another country should be denounced as an international high crime, punishable with death for the leaders guilty of it, and the world ought to inflict this penalty and teach by personal penalties stupid officials who bring about war that they are responsible for the death of the men whom they lead into aggressive, wrongful war, and they should suffer the penalty of death as a righteous judgment.

The time has come for the new order, and if Clemenceau really represents the better sentiment in France in saying, "Let us be good and let us be free," the American opinion might support America participating in the councils of Europe for the reconstruction of Europe—but when Clemenceau talks about "Turkish barbarism, German revenge, and Russian anarchy" as the problems he wishes America to help him to solve by an alliance with Great Britain and France to stop the menace of a Moslem war, the reply of America will be unsympathetic. We are not astonished nor shocked at the Turks driving the aggressive Greeks out of their country. We are in favor of Turkey for the Turks, of Russia for the Russians, of Germany for the Germans, and of France for the French, and opposed to any one of them invading the territory or the rights of any other. We are in favor of the principles of the league and the 14 points, which are binding on Clemenceau and on the French leadership, and until they recognize these principles they will have great difficulty in conciliating American opinion.

Mr. President, we believe that the people of Europe are deeply desirous of peace. It is the leadership of Europe that does not seem to understand the conditions upon which peace may be obtained. They are pursuing policies which are stirring up hate. If Clemenceau's visit to this country can make that perfectly clear to the leadership of Europe, if they will be advised from what Clemenceau is able to learn in the United States with regard to the true principles of government which should obtain between nations, his visit will not have been in vain. We hope his visit will accomplish that result.

#### APPENDIX.

Senate Concurrent Resolution 17, submitted by Senator OWEN January 28, 1918.

*Resolved by the Senate (the House of Representatives concurring),* The United States declared a state of war existing between the Imperial Government of Germany and the Imperial and Royal Government of Austria and the United States because of their repeated willful violations of the rights of the people of the United States under the acknowledged principles of international law; the sinking of unarmed merchant vessels

and of hospital and Red Cross ships; the destruction of the lives of unoffending American citizens on their lawful business on the high seas on many occasions; filling the United States with spies and secret agents; conspiring the wholesale destruction of American industries by arson, by explosions, and murder; systematically promoting sedition and treason among our citizens, and the criminal violation of our laws by the German and Austrian aliens residing in the United States; endeavoring to incite the hostility and aversion of other nations against the United States, and to persuade Mexico and Japan to make war upon the United States, and many other wrongful acts contrary to the laws of nations and in violation of justice and of humanity; and for the further reason that it had finally become known to the United States from indisputable evidence that the military masters of Germany and Austria had deliberately and secretly conspired to bring about an elaborately prepared offensive war by which and through which they intended, first, to dominate Europe, nation by nation, and then to dominate the other unprepared nations of the earth and establish a military world dominion.

For many years past the governing powers of Germany and Austria have by world-wide intrigue carried on a systematic attempt to disorganize public opinion in the United States and in the other nations of the world for the purpose of breaking down the powers of resistance of other nations against this conspiracy for world dominion by exciting nation against nation and internal disorders among the nations that might oppose this sinister design.

The United States has not forgotten that the military rulers of Germany and Austria deliberately prevented international agreements at the various Hague conventions for arbitration of international differences, abatement of armaments, and world peace.

The United States recognizes this war as an offensive war of the completely prepared German and Austrian military autocracies against the unsuspecting and inadequately prepared democracies of the world in pursuance of the policy laid down in the first and second articles of the secret treaty of Verona of November 22, 1922, in which the autocratic rulers of Prussia and Austria solemnly pledged their powers to each other to overthrow all "representative" governments on earth, the consummation of which design the Prussian and Austrian autocratic group has steadily and secretly kept in view, and that this war had for its objects the premeditated slaughter and robbery of the innocent peoples of other nations for the sordid and base purposes of annexation, indemnity, robbery, and commercial profit by military force and terrorism and ultimate world dominion.

The United States finally recognized the unavoidable necessity of meeting the forces of this military conspiracy on the battle fields of Europe in order to prevent the military rulers of Germany and Austria succeeding in the first step of mastering Europe as a means to mastering and robbing America.

The United States can not be deceived by those military leaders of Germany and Austria who now, before their own people, pretend to be waging a war of defense and to desire an honorable peace, but whose every act has clearly demonstrated to the whole world that they deliberately planned and are still persisting in this unspeakably brutal war, with their sinister purposes unchanged, and which they are still attempting to carry out by terrorism, intrigue, and systematic falsehood and deceit at home and abroad.

The United States can not confide in any statement or promise emanating from such a perfidious source until the German and Austrian people in fact and in sober truth can control the conduct of their agents and compel them to observe the rules of morality and good faith.

The United States did not enter this war for material advantage or for any selfish purpose or to gratify either malice or ambition.

The United States will not approve of forcible annexations or mere punitive indemnities, even on the misguided people of Austria or of Germany, but demands the complete evacuation of all territory invaded during the present war by the German and Austrian troops and the restoration and indemnity of Belgium, Serbia, Rumania, and Montenegro.

The United States believes that righting the wrong done to the French people by the Prussian Government in 1871 in the matter of Alsace-Lorraine will remove long-pending grievances due to previous military aggression and will promote future world peace.

The United States believes that a readjustment of the frontiers of Italy should be effected along clearly recognized lines of nationality; that an independent Polish State should be established over territory indisputably occupied by Polish



people; that the peoples of Austria-Hungary, of the Balkans, and of the Ottoman Empire should have the right of autonomous development.

The United States will favor recognizing and protecting by an international alliance the territorial integrity of all nations, great and small; the maintenance of the right of unembarrassed self-determination of all nations, and the right of such nations to manage their own affairs by internal self-government; and safeguarding the rights of backward peoples by international agreement.

The United States will favor extending international credits for the restoration of all places made waste by war.

The United States will insist that the oceans and high seas and international waterways and canals shall be open on equal terms to the citizens of all nations; that all nations shall have the untaxed right of access to the sea of their goods in bond, through any intervening territory to the seaports of other nations, with equal access to shipping facilities.

The United States will favor the removal, as far as possible, of all economic barriers and the establishment of equal trade conditions among all the nations of the world consenting to peace and associating themselves for its maintenance, without interfering with the right of any nation to govern its own imports and exports.

The United States will insist that adequate guaranties shall be given and taken to the end that national armaments on land and sea should be reduced to the lowest points consistent with domestic safety.

The unbounded ambition and deceit of the Prussian military autocrats are again exposed in shameless nakedness before the German and Austrian people, their allies, and the world at large in their present demands of annexation of adjacent Russian territory and other demands contemplating the domination of the Russian and Polish people in flat violation of their own Reichstag's recent pledges against annexation and indemnity.

The United States feels for the Russian people the liveliest sympathy in their great losses in life and property at the hands of the German and Austrian autocrats, as well as their magnificent and glorious struggles in behalf of freedom and democratic world peace.

Having passed through many severe tests and trials in establishing popular government in America, the people of the United States, through their own directly elected representatives, desire to extend to the Russian people the cordial hand of fellowship in their new-found freedom and to assure their democratic brothers in Russia that we earnestly desire to render them, so far as possible, every assistance they may need and which they themselves desire.

The United States will favor an open-minded and absolutely impartial adjustment of all colonial claims based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the population concerned must have equal weight with the claims of the Governments whose titles are to be determined.

The United States recognizes that a general association of civilized nations must be formed under specific covenants for the purpose of affording mutual guaranties of political independence and territorial integrity to nations, great and small alike, and of maintaining world peace, and believes that under such a system dissatisfied peoples now held under subjection to dominating nations for strategic purposes could be safely given their liberty and autonomy, as the rights of the dominant nation would be made safe by the general association of nations and the subject nation would cease to be a coveted asset against future war.

The United States believes that under such general association of nations it should be a violation of international law and the highest international crime for any nation, on any alleged ground, to invade by military power the territorial limits of another nation, and that the penalty for such invasions should be the immediate international blockade of the invading and offending nation, an embargo on all mail, express, and freight to and from such nation, and the suppression of such invasion by the combined forces of the general association of nations organized for the protection of world peace.

The United States believes that all future international treaties should be made in the open, where all the world may know of the proceedings in the framing of such treaties, and that secret diplomacy and international intrigue should end.

The United States desires to be on friendly terms, political, commercial, and social, with the people of every nation, including those now under the control of the German and Austrian military autocracies, and to restore as speedily as possible these friendly relations with the German and Austrian people as soon as they organize a Government responsible to the will of the

people of Germany and Austria and whenever they shall themselves demonstrate a willingness to deal with the other nations of the world on a basis of equality, justice, and humanity and are willing to abandon the atrocious and detestable doctrine of making war for annexation, indemnity, and profit.

The United States entered this war to protect the rights of its own citizens to life and liberty, to protect its own future, to make the world safe from the future menace of military despotism, dynastic ambitions, or competing armaments, to establish permanent world peace on a basis of international justice, righteousness, and humanity, and, in cooperation with the self-governing belligerent nations, will maintain these principles, whatever the cost, with firmness and resolution until these ends are fully accomplished.

#### SUPPRESSION OF MOB VIOLENCE.

The VICE PRESIDENT. The question is on the motion of the Senator from California [Mr. SHORTRIDGE] that the Senate proceed to the consideration of House bill No. 13.

Mr. DIAL. Mr. President, I ask unanimous consent to call up the bill (S. 3791) for the relief of William R. Bradley, former acting collector of internal revenue for South Carolina.

Mr. WATSON. I want it understood that it does not in any wise displace the pending motion.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina?

Mr. SHORTRIDGE. I object.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	George	McNary	Stanfield
Brandegee	Hale	New	Sterling
Broussard	Harrell	Nicholson	Sutherland
Calder	Harris	Norris	Swanson
Cameron	Harrison	Overman	Townsend
Capper	Hitchcock	Phipps	Underwood
Caraway	Jones, Wash.	Reed, Pa.	Wadsworth
Curtis	Ladd	Sheppard	Walsh, Mass.
Dial	La Follette	Shortridge	Walsh, Mont.
Edge	Lodge	Simmons	Warren
Fletcher	McKellar	Smith	Watson
France	McKinley	Smoot	Willis

The VICE PRESIDENT. Forty-eight Senators have answered to their names. A quorum is present.

#### MERGER OF MEAT PACKERS.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent for the present consideration of Senate Resolution 364, which is lying upon the table subject to my call.

Mr. OVERMAN. I do not object, but I understood the Chair had announced that no quorum was present.

Mr. LA FOLLETTE. The Chair announced that a quorum was present.

The VICE PRESIDENT. A quorum is present.

Mr. LA FOLLETTE. I made the request which I made without prejudice to the pending motion.

The VICE PRESIDENT. The Senator from Wisconsin asks unanimous consent that the Senate proceed to the consideration of the resolution, which the Secretary will read for the information of the Senate.

Mr. WALSH of Montana. Mr. President, will the Senator from Wisconsin yield to me in order that I may make an inquiry of the Chair?

Mr. LA FOLLETTE. I yield.

Mr. WALSH of Montana. I inquire of the Chair how the Chair arrived at the conclusion that 48 Senators constitute a quorum of the Senate?

The VICE PRESIDENT. There are only 95 Members of the Senate at the present time.

Mr. WALSH of Montana. The question as to the propriety of that ruling is now before the Committee on Rules. Of course, the Chair is entirely justified under the existing rules in arriving at that conclusion. I trust, however, that the matter may at some time soon receive the attention of the committee and be finally determined by them.

Mr. DIAL. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. LA FOLLETTE. I yield.

Mr. DIAL. Mr. President, I understand the Senator from Wisconsin has unanimous consent for the consideration of a resolution.

Mr. LA FOLLETTE. I have.

The VICE PRESIDENT. That request has been made.

Mr. DIAL. I shall object to its consideration, but I will not offer an objection to the resolution being read.



Mr. LA FOLLETTE. Then I ask to have it read, Mr. President, as I have modified it.

The VICE PRESIDENT. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 364), as modified, submitted by Mr. LA FOLLETTE on the 22d instant, as follows:

*Resolved, That the Secretary of Agriculture be, and hereby is, directed to report immediately to the Senate all information now in his possession relating to any proposed merger or mergers of large meat-packing companies, accompanying said report with a statement of the number of animals annually slaughtered under Federal inspection, tabulated by fiscal years beginning July 1, 1919, and the proportion slaughtered by each of the five principal packers, with their subsidiary and affiliated companies; also to report what action, if any, he has taken or contemplates taking in reference to such proposed merger.*

The VICE PRESIDENT. The question is on the request of the Senator from Wisconsin for unanimous consent.

Mr. DIAL. Mr. President, as I understand, to-day is Calendar Monday. I do not desire to consume any time whatever; but I have a little bill which is uncontested, which has been considered and unanimously reported by the Committee on Claims and recommended by the Secretary of the Treasury. It is designed to expedite the settlement of the account of a former acting internal-revenue collector in my State. There is no appropriation whatever involved. I should like to have that bill passed. I have been trying all day to secure its consideration. My friends on the other side objected to unanimous consent for that purpose. I expect to leave the city in a day or two, to be gone two or three days. I should like to have my little bill passed before that time. If I could get unanimous consent to do so I should be very glad to have it considered, but, if I can not, I am going to object to any measure coming up by unanimous consent so long as I am in town and until I have to go home in the next three or four days. I object to the consideration of the resolution at this time.

Mr. SIMMONS. Mr. President, I should like to say to the Senator from South Carolina that I think the resolution offered by the Senator from Wisconsin is a very important one and is rather urgent. Would the Senator be willing to withdraw his objection if the Senator from Wisconsin would consent to taking up the bill to which the Senator from South Carolina refers?

Mr. DIAL. I did not pay any attention to the reading of the resolution and I do not know anything about it and do not care anything about it for the present, but I want to be assured that I can secure the passage of my uncontested bill reported unanimously by the Claims Committee.

Mr. LA FOLLETTE. The Senator will certainly encounter no objection from me to the consideration of his bill.

Mr. SIMMONS. Will the Senator from Wisconsin withdraw his resolution temporarily in order that the Senator from South Carolina may ask unanimous consent for the consideration of the bill referred to by him?

Mr. SMOOT. There will be objection to the consideration of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin for unanimous consent for the consideration of Senate Resolution 364?

Mr. DIAL. I object.

Mr. OVERMAN. I move that the Senate adjourn.

Mr. TOWNSEND. Let us have an executive session.

Mr. OVERMAN. Very well, I will move then that the Senate proceed to the consideration of executive business.

Mr. SHORTRIDGE. In the nature of an amendment I move that when the Senate conclude its business this afternoon it take a recess until to-morrow at 12 o'clock.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harrell	Nicholson	Stanfield
Brandegge	Harris	Norris	Sterling
Calder	Harrison	Overman	Sutherland
Cameron	Hitchcock	Owen	Swanson
Capper	Jones, Wash.	Phipps	Townsend
Caraway	Keyes	Rawson	Underwood
Curtis	Ladd	Reed, Pa.	Wadsworth
Dial	La Follette	Sheppard	Walsh, Mass.
Edge	Lodge	Shortridge	Walsh, Mont.
Fletcher	McKellar	Simmons	Watson
France	McKinley	Smith	Weller
George	McNary	Smoot	Willis
Hale	New	Spencer	

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present.

#### EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

Mr. OVERMAN. I withdraw my motion to adjourn in order that the Senator from Kansas may make his motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 38 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, November 28, 1922, at 12 o'clock meridian.

#### NOMINATIONS.

*Executive nominations received by the Senate November 27, 1922.*

##### ASSISTANT ATTORNEY GENERAL.

Augustus T. Seymour, of Ohio, to be assistant to the Attorney General, vice Guy D. Goff, resigned. (Mr. Seymour is now serving under recess appointment.)

##### ASSOCIATE JUSTICE OF SUPREME COURT OF HAWAII.

Alexander Lindsay, jr., of Hawaii, to be associate justice of the Supreme Court, Territory of Hawaii, vice William S. Edings, term expired. (Mr. Lindsay is now serving under recess appointment.)

##### UNITED STATES DISTRICT JUDGE.

John C. Rose, of Maryland, now serving as United States district judge, district of Maryland, to be United States circuit judge, fourth circuit. (Additional position created by the act approved September 14, 1922.)

##### UNITED STATES ATTORNEY.

F. G. Boatright, of Georgia, to be United States attorney, southern district of Georgia, vice John W. Bennett, resigned. (Mr. Boatright is now serving under recess appointment.)

##### UNITED STATES MARSHALS.

Joseph W. Tolbert, of South Carolina, to be United States marshal, western district of South Carolina, vice C. J. Lyon, removed. (Mr. Tolbert is now serving under recess appointment.)

A. R. Eldridge, of Texas, to be United States marshal, northern district of Texas, vice James A. Baggett, term expired. (Mr. Eldridge is now serving under recess appointment.)

##### COMPTROLLER OF CUSTOMS.

Clinton O. Richardson, of Baltimore, Md., to be comptroller of customs in customs collection district No. 13, with headquarters at Baltimore, Md., in place of W. Mitchell Digges, resigned.

##### MEDICAL CORPS.

###### To be captains.

First Lieut. George Paul Sandrock, Medical Corps, from September 7, 1922.

First Lieut. Edward Athelstane Casserly, Medical Corps, from September 25, 1922.

First Lieut. Walter Clifton Royals, Medical Corps, from October 4, 1922.

##### MEDICAL ADMINISTRATIVE CORPS.

###### To be first lieutenant.

Second Lieut. Thomas Grimsley Hester, Medical Administrative Corps, from November 10, 1922.

##### CHAPLAINS.

###### To be chaplain with the rank of major.

Chaplain Stanley Clayton Ramsden, from September 22, 1922.

###### To be chaplains with the rank of captain.

Chaplain John Truman Kendall, from July 15, 1922.

Chaplain James Aloysius Manley, from October 5, 1922.

Chaplain Frank Meredith Thompson, from October 10, 1922.

Chaplain Walter B. Zimmerman, from October 10, 1922.

Chaplain Jacob Donald Hockman, from October 11, 1922.

Chaplain Joseph Burt Webster, from October 11, 1922.

Chaplain Washington Cannon Pinson, from November 22, 1922.

##### APPOINTMENTS IN THE REGULAR ARMY.

##### QUARTERMASTER CORPS.

*To be assistants to the Quartermaster General, with the rank of brigadier general, for a period of four years from date of acceptance.*

Col. John Bellinger Bellinger, Quartermaster Corps, from December 1, 1922, vice Brig. Gen. John M. Carson, who is to be retired from active service November 30, 1922.

Col. Albert Clayton Dalton, Quartermaster Corps, from December 8, 1922, vice Brig. Gen. Charles R. Krauthoff, who is to be retired from active service December 7, 1922.

#### PROMOTIONS IN THE ARMY.

##### MARINE CORPS.

Capt. Walter S. Gaspar to be a captain in the Marine Corps from the 1st day of July, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. William K. MacNulty to be a captain in the Marine Corps from the 14th day of July, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Alfred Dickerson to be a captain in the Marine Corps from the 28th day of August, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Thomas R. Shearer to be a captain in the Marine Corps from the 24th day of September, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Jacob M. Pearce to be a captain in the Marine Corps from the 18th day of October, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

Capt. Charles C. Gill to be a captain in the Marine Corps from the 2d day of November, 1921, to correct the date from which he takes rank as previously nominated and confirmed.

First Lieut. John F. McVey to be a captain in the Marine Corps from the 28th day of March, 1922.

##### POSTMASTERS.

##### CALIFORNIA.

George W. Fraser to be postmaster at Pinole, Calif., in place of J. W. Townes. Incumbent's commission expired September 5, 1922.

George M. Heath to be postmaster at Ione, Calif., in place of S. H. Hawkins. Incumbent's commission expired September 5, 1922.

James A. Lewis to be postmaster at Carpinteria, Calif., in place of J. A. Lewis. Incumbent's commission expired September 5, 1922.

##### COLORADO.

Theodore Stremme to be postmaster at Gypsum, Colo. Office became presidential October 1, 1922.

##### HAWAII.

Elizabeth Perkins to be postmaster at Wahiawa, Hawaii, in place of L. W. Jongeneel, failed to qualify.

##### ILLINOIS.

William H. Lower to be postmaster at Min'er, Ill., in place of J. F. Davis. Incumbent's commission expired January 17, 1920.

Alvin P. Bickenbach to be postmaster at Illiopolis, Ill., in place of L. T. L. Neff. Incumbent's commission expired February 4, 1922.

William Ryder to be postmaster at Auburn, Ill., in place of D. T. Queen. Incumbent's commission expired February 4, 1922.

John L. Shanks to be postmaster at Ashley, Ill., in place of Henry Gilbert, resigned.

##### INDIANA.

Charles R. Jones to be postmaster at Summitville, Ind., in place of W. E. Cartwright. Incumbent's commission expired September 5, 1922.

Harry H. Cope to be postmaster at Madison, Ind., in place of J. B. Lawler, removed.

Joseph W. McMahon to be postmaster at Covington, Ind., in place of G. P. Schwin, resigned.

##### IOWA.

August Rickert to be postmaster at Schleswig, Iowa, in place of A. H. Stoltenberg, removed.

Grace M. Storey to be postmaster at Dysart, Iowa, in place of E. F. Douglass. Incumbent's commission expired September 5, 1922.

Otto W. Bierkamp to be postmaster at Durant, Iowa, in place of E. F. Jockheck, jr. Incumbent's commission expired September 5, 1922.

##### KANSAS.

Ezra E. Shields to be postmaster at Wathena, Kans., in place of W. R. Martin. Incumbent's commission expired September 13, 1922.

Charles F. Ackerman to be postmaster at Kanopolis, Kans., in place of W. D. Sturgis. Incumbent's commission expired September 13, 1922.

##### KENTUCKY.

Harvey B. Turner to be postmaster at Evarts, Ky. Office became presidential April 1, 1921.

Sidney A. Lovelace to be postmaster at London, Ky., in place of E. W. Hackney, resigned.

John H. Collings to be postmaster at Lebanon Junction, Ky., in place of J. T. Wickersham, resigned.

Eli H. Blewett to be postmaster at Franklin, Ky., in place of R. F. Neely. Incumbent's commission expired January 8, 1921.

Alice F. Lewis to be postmaster at Burnside, Ky., in place of F. C. Sloan, resigned.

##### LOUISIANA.

John B. Sewell to be postmaster at Baldwin, La., in place of J. B. Sewell. Incumbent's commission expired September 5, 1922.

##### MAINE.

Joe P. Davis to be postmaster at South Berwick, Me., in place of D. N. Cheney. Incumbent's commission expired October 24, 1922.

Harry N. Ferguson to be postmaster at Sanford, Me., in place of H. E. Perkins. Incumbent's commission expired September 28, 1922.

##### MARYLAND.

Mary B. Workman to be postmaster at Fort Howard, Md. Office became presidential October 1, 1922.

Ernest W. Pickett to be postmaster at Woodbine, Md., in place of F. T. Buckingham, deceased.

Harry L. Feeser to be postmaster at Taneytown, Md., in place of W. E. Burke. Incumbent's commission expired September 5, 1922.

William Melville to be postmaster at Sykesville, Md., in place of M. H. Weer. Incumbent's commission expired September 5, 1922.

David S. Hickman to be postmaster at Snow Hill, Md., in place of J. S. Price, resigned.

Milton D. Reid to be postmaster at New Windsor, Md., in place of W. D. Lovell. Incumbent's commission expired September 5, 1922.

Anna B. Bowie to be postmaster at Kensington, Md., in place of A. B. Bowie. Incumbent's commission expired September 5, 1922.

Elwood L. Murray to be postmaster at Hampstead, Md., in place of J. O. Murray. Incumbent's commission expired September 5, 1922.

##### MICHIGAN.

George A. Mason to be postmaster at Cedar, Mich. Office became presidential October 1, 1922.

George Q. Brace to be postmaster at Sparta, Mich., in place of A. H. Meeker. Incumbent's commission expired September 13, 1922.

Mary E. Swanson to be postmaster at Spring Lake, Mich., in place of M. E. Swanson. Incumbent's commission expired September 13, 1922.

Angus G. Grayson to be postmaster at Pellston, Mich., in place of E. F. Mathews. Incumbent's commission expired September 13, 1922.

##### MINNESOTA.

Charles H. Wise to be postmaster at Wayzata, Minn., in place of C. H. Dickey, resigned.

Freeman S. Holmes to be postmaster at South Haven, Minn., in place of F. S. Holmes. Incumbent's commission expired September 13, 1922.

William G. Early to be postmaster at Eyota, Minn., in place of E. M. Grandy, resigned.

Robert K. Brough to be postmaster at Alexandria, Minn., in place of R. K. Brough. Incumbent's commission expired July 20, 1921.

Stanley E. Nelson to be postmaster at Adrian, Minn., in place of J. A. Roerig. Incumbent's commission expired September 13, 1922.

##### MISSISSIPPI.

Michael J. Mulvihill, jr., to be postmaster at Vicksburg, Miss., in place of H. H. Mackey. Incumbent's commission expired September 19, 1922.

##### MISSOURI.

William H. Roster to be postmaster at St. James, Mo., in place of Patrick Birmingham. Incumbent's commission expired September 5, 1922.

Theron H. Watters to be postmaster at Marshfield, Mo., in place of C. C. Hamilton. Incumbent's commission expired September 5, 1922.

William L. Moorhead to be postmaster at Hopkins, Mo., in place of A. C. Monroe. Incumbent's commission expired September 5, 1922.

##### MONTANA.

John B. Randall to be postmaster at Wolf Point, Mont., in place of C. H. Hanson, removed.



## NEVADA.

Daniel E. Morton to be postmaster at Carson City, Nev., in place of A. B. Karns. Incumbent's commission expired May 25, 1922.

## NEW JERSEY.

August Graf to be postmaster at Hoboken, N. J., in place of Adolph Lankering, resigned.

## NEW YORK.

Monroe W. LeFevre to be postmaster at Water Mill, N. Y. Office became presidential October 1, 1922.

George W. Harris to be postmaster at Richmondville, N. Y., in place of E. N. Taber, declined.

William F. Winterbotham to be postmaster at Old Forge, N. Y., in place of W. F. Winterbotham. Incumbent's commission expired May 9, 1922.

## NORTH CAROLINA.

George A. Woods to be postmaster at Nazareth, N. C. Office became presidential October 1, 1922.

Don H. Gosorn to be postmaster at Old Fort, N. C., in place of T. L. Grant. Incumbent's commission expired September 5, 1922.

Thomas E. Sparrow to be postmaster at Hillsboro, N. C., in place of G. C. Lynch. Incumbent's commission expired September 5, 1922.

Vernon W. Faris to be postmaster at Henderson, N. C., in place of I. J. Young. Incumbent's commission expired April 16, 1921.

Willis A. Willcox to be postmaster at Halifax, N. C., in place of L. N. Fenner. Incumbent's commission expired January 24, 1922.

Allen R. Edwards to be postmaster at Bladenboro, N. C., in place of A. A. Hilburn. Incumbent's commission expired September 5, 1922.

## NORTH DAKOTA.

Meeda McMullen to be postmaster at Forest River, N. Dak. Office became presidential October 1, 1922.

Paul Keller to be postmaster at Hebron, N. Dak., in place of Paul Keller. Incumbent's commission expired September 5, 1922.

## OHIO.

Joseph M. Collins to be postmaster at Springfield, Ohio, in place of C. P. Dunn. Incumbent's commission expired September 19, 1922.

## OREGON.

Flora A. Fowler to be postmaster at Goble, Oreg. Office became presidential October 1, 1922.

## PENNSYLVANIA.

Carey W. Huff to be postmaster at James City, Pa. Office became presidential October 1, 1922.

Isaac W. Edgar to be postmaster at Glenshaw, Pa. Office became presidential January 1, 1921.

Daniel J. Turner to be postmaster at Clarksville, Pa. Office became presidential October 1, 1922.

John W. Munnell to be postmaster at Waynesburg, Pa., in place of C. K. Spragg, removed.

Jesse E. McCracken to be postmaster at Mahaffey, Pa., in place of B. W. McCracken. Incumbent's commission expired September 13, 1922.

Daniel A. Strayer to be postmaster at Coalport, Pa., in place of J. K. Gorman. Incumbent's commission expired September 13, 1922.

## TENNESSEE.

Conley Collins to be postmaster at Morristown, Tenn., in place of J. E. Helms. Incumbent's commission expired September 5, 1922.

## TEXAS.

J. Edwin Moore to be postmaster at Lometa, Tex., in place of W. H. Reaves. Incumbent's commission expired September 5, 1922.

## VERMONT.

Lawrence L. Tinkham to be postmaster at Quechee, Vt. Office became presidential October 1, 1922.

Charles A. Bourn to be postmaster at Manchester Depot, Vt., in place of H. S. King. Incumbent's commission expired September 19, 1922.

## VIRGINIA.

Edward S. Barnitz to be postmaster at Salem, Va., in place of J. P. Saul, resigned.

Holdway E. Lane to be postmaster at Gate City, Va., in place of J. M. Minnich. Incumbent's commission expired September 13, 1922.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate November 27, 1922.*

## POSTMASTERS.

## MARYLAND.

Everett M. Layton, Berlin.  
John W. Payne, Preston.  
Robert H. Phillips, Salisbury.  
Victor F. Cullen, State Sanatorium.  
Nettie Fowler, Bowie.

## HOUSE OF REPRESENTATIVES.

Monday, November 27, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We trust that we approach Thee, O Lord, with open hearts and sacred desire. The light of day is a proof of Thy mercy and the night is written all over with the stars of Thy presence. Help us to a clear understanding of these days. Give patience to those who wait and hope to those who labor. In all manly strength and courage may we persevere in the things that are right. As solemn responsibilities have been intrusted to this assembly, bless all Members with broad knowledge that they may be able to respond wisely to their demands.

Give comfort to all homes of sickness. Make a way for us where there is no path, and when the darkness thickens let the pressure of Thy hand be tenderest. Amen.

The Journal of the proceedings of Saturday, November 25, 1922, was read and approved.

## SWEARING IN OF A MEMBER.

Mr. ANDREWS of Nebraska. Mr. Speaker, Mr. R. H. THORPE, Member elect from the first district of Nebraska, to succeed Hon. C. F. Reavis for the unexpired term ending March 4, 1923, is present, ready to take the oath of office. His credentials are on file with the Clerk.

The SPEAKER. The gentleman will come forward.

Mr. THORPE appeared at the bar of the House and took the oath of office.

## THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, to amend and supplement the merchant marine act, 1920, and for other purposes.

The question was taken.

Mr. GARRETT of Tennessee. Mr. Speaker, it occurs to me that we ought to have a roll call on this matter, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll.

The Clerk called the roll, and there were—yeas 229, nays 88, answered "present" 1, not voting 114, as follows:

## YEAS—229.

Ackerman	Burness	Darrow	Gerner
Anderson	Butler	Dempsey	Gifford
Andrew, Mass.	Cable	Dickinson	Goodykoontz
Andrews, Nebr.	Campbell, Kans.	Dowell	Gorman
Appleby	Campbell, Pa.	Dyer	Graham, Ill.
Arenz	Cannon	Edmonds	Greene, Mass.
Atkeson	Chalmers	Elliott	Greene, Vt.
Bacharach	Chandler, N. Y.	Ellis	Griest
Barbour	Chindblom	Evans	Hadley
Beck	Christopherson	Fairchild	Hardy, Colo.
Beedy	Clague	Fairfield	Haugen
Begg	Clarke, N. Y.	Faust	Hawley
Benham	Clouse	Fenn	Hays
Bird	Codd	Fess	Henry
Bixler	Cole, Iowa	Fisher	Hershey
Blakeney	Cole, Ohio	Fisher	Hickey
Bland, Ind.	Colton	Fitzgerald	Hill
Boies	Cooper, Wis.	Foster	Himes
Bond	Coughlin	Frear	Hoch
Bowers	Crago	Free	Hogan
Britten	Cramton	French	Hukriede
Brooks, Ill.	Crowther	Frothingham	Hull
Brown, Tenn.	Curry	Fuller	Humphrey, Nebr.
Browne, Wis.	Dale	Gahn	Husted
Burdick	Dallinger	Gensman	James

Jefferis, Nebr.	McPherson	Perkins	Sweet
Johnson, S. Dak.	MacGregor	Perlman	Swing
Johnson, Wash.	MacLafferty	Porter	Taylor, Tenn.
Kahn	Madden	Pringey	Thorpe
Kearns	Magee	Radcliffe	Tilson
Keller	Maloney	Ransley	Tincher
Kelly, Pa.	Mapee	Reece	Tinkham
Ketcham	Martin	Reed, N. Y.	Towner
Kindred	Merritt	Reed, W. Va.	Treadway
Kirkpatrick	Michener	Rhodes	Underhill
Kissel	Miller	Ricketts	Vaile
Kline, N. Y.	Millsbaugh	Roach	Vare
Kline, Pa.	Mondell	Robertson	Vestal
Knutson	Montoya	Robison	Voigt
Kopp	Moore, Ill.	Rogers	Volk
Kraus	Moore, Ohio	Rose	Volstead
Kunz	Moores, Ind.	Rossdale	Walters
Lampert	Morgan	Sanders, N. Y.	Watson
Larson, Minn.	Mott	Scott, Mich.	Webster
Lawrence	Murphy	Scott, Tenn.	White, Kans.
Layton	Nelson, Me.	Shelton	White, Me.
Lazaro	Nelson, A. P.	Sinclair	Williams, Ill.
Lea, Calif.	Nelson, J. M.	Sinnott	Williamson
Leatherwood	Newton, Minn.	Slomp	Wilson
Lehlbach	Norton	Smith, Idaho	Wood, Ind.
Lineberger	O'Connor	Snell	Woodruff
Little	Ogden	Snyder	Wurzbach
Longworth	Olpp	Speaks	Wyant
Luhning	Paige	Sprout	Yates
McDuffie	Park, Ga.	Stafford	Young
McFadden	Parker, N. J.	Stephens	
McLaughlin, Mich.	Patterson, Mo.	Strong, Kans.	
McLaughlin, Nebr.	Patterson, N. J.	Strong, Pa.	

NAYS—88.

Abernethy	Doughton	Larsen, Ga.	Rouse
Almon	Drewry	Lee, Ga.	Rucker
Aswell	Driver	Linthicum	Sanders, Tex.
Bankhead	Favrot	Logan	Sandlin
Barkley	Fields	London	Sears
Bland, Va.	Fulmer	Lowrey	Smithwick
Blanton	Garner	Lyon	Steagall
Bowling	Garrett, Tenn.	McClintic	Stedman
Box	Garrett, Tex.	McSwain	Stevenson
Briggs	Gilbert	Mansfield	Stoll
Buchanan	Hammer	Montague	Summers, Tex.
Bulwinkle	Hardy, Tex.	Moore, Va.	Swank
Byrnes, S. C.	Harrison	Oldfield	Tague
Byrnes, Tenn.	Hayden	Oliver	Taylor, Colo.
Carew	Hooker	Parks, Ark.	Thomas
Carter	Huddleston	Pou	Tillman
Collier	Jeffers, Ala.	Quin	Turner
Collins	Johnson, Miss.	Rainey, Ala.	Tyson
Connally, Tex.	Jones, Tex.	Rainey, Ill.	Vinson
Crisp	Kincheleo	Raker	Wingo
Davis, Tenn.	Lanham	Rankin	Wise
Dominick	Lankford	Rayburn	Wright

ANSWERED "PRESENT"—1.

Sabbath

NOT VOTING—114.

Ansorge	Freeman	Langley	Shaw
Anthony	Funk	Lee, N. Y.	Shreve
Bell	Gallivan	Luce	Siegel
Black	Glynn	McArthur	Sisson
Brand	Goldsborough	McCormick	Smith, Mich.
Brennan	Gould	McKenzie	Steenerson
Brooks, Pa.	Graham, Pa.	McLaughlin, Pa.	Stiness
Burke	Green, Iowa	Mann	Sullivan
Burroughs	Griffin	Mead	Summers, Wash.
Burton	Hawes	Michaelson	Taylor, Ark.
Cantrill	Herrick	Mills	Taylor, N. J.
Chandler, Okla.	Hicks	Morin	Temple
Clark, Fla.	Huck	Mudd	Ten Eyck
Classon	Hudspeth	Newton, Mo.	Thompson
Cockran	Humphreys, Miss.	O'Brien	Timberlake
Connolly, Pa.	Hutchinson	Osborne	Tucker
Cooper, Ohio	Ireland	Overstreet	Upshaw
Copley	Jacoway	Parker, N. Y.	Ward, N. Y.
Cullen	Johnson, Ky.	Petersen	Ward, N. C.
Davis, Minn.	Jones, Pa.	Purnell	Wason
Deal	Kelley, Mich.	Ramsayer	Weaver
Denison	Kendall	Reber	Wheeler
Drane	Kennedy	Riddick	Williams, Tex.
Dunbar	Kless	Riordan	Winslow
Dunn	King	Rodenberg	Woods, Va.
Dupré	Kitchin	Rosenbloom	Woodyard
Echols	Klecza	Ryan	Zihlman
Focht	Knight	Sanders, Ind.	
Fordney	Kreider	Schall	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Mann (for) with Mr. Sabbath (against).

Until further notice:

Mr. Dunbar with Mr. Brand.

Mr. Fordney with Mr. Cockran.

Mr. Purnell with Mr. Tucker.

Mr. Davis of Minnesota with Mr. Bell.

Mr. Shreeve with Mr. Gallivan.

Mr. Ramsayer with Mr. O'Brien.

Mr. Mudd with Mr. Williams of Texas.

Mr. Anthony with Mr. Dupré.

Mr. Connolly of Pennsylvania with Mr. Cantrill.

Mr. Newton of Missouri with Mr. Griffin.

Mr. Rosenbloom with Mr. Upshaw.

Mr. King with Mr. Weaver.

Mr. Graham of Pennsylvania with Mr. Sullivan.  
 Mr. Mills with Mr. Deal.  
 Mr. Thompson with Mr. Johnson of Kentucky.  
 Mr. Michaelson with Mr. Riordan.  
 Mr. Kless with Mr. Sisson.  
 Mr. Green of Iowa with Mr. Hawes.  
 Mr. Focht with Mr. Goldsborough.  
 Mr. McKenzie with Mr. Humphreys of Mississippi.  
 Mr. Morin with Mr. Kitchin.  
 Mr. McArthur with Mr. Mead.  
 Mr. Ward of New York with Mr. Hudspeth.  
 Mr. Burton with Mr. Black.  
 Mr. Denison with Mr. Cullen.  
 Mr. Luce with Mr. Woods of Virginia.  
 Mr. Sanders of Indiana with Mr. Ward of North Carolina.  
 Mr. Winslow with Mr. Jacoway.  
 Mr. Osborne with Mr. Drane.  
 Mr. Kendall with Mr. Taylor of Arkansas.  
 Mr. Burroughs with Mr. Overstreet.  
 Mr. Langley with Mr. Clark of Florida.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the merchant marine bill, with Mr. TILSON in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817, which the Clerk will report for amendment.

The Clerk began the reading of the bill.

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GRAHAM of Illinois. Under the rule or practice is it intended to read the whole section before the offering of amendments?

The CHAIRMAN. The bill will be read by sections under the rule. The Clerk will proceed to read the first section of the bill.

The Clerk began the reading of the bill.

Mr. FREAR. Mr. Chairman, I want to ask—I did not hear the ruling of the Chair—is it that the paragraph must first be read before the offering of amendments?

The CHAIRMAN. The bill is being read by sections. The Clerk will proceed to read the first section of the bill.

The Clerk read as follows:

*Be it enacted, etc.—*

TITLE I. AMENDMENTS TO THE MERCHANT MARINE ACT, 1920.

SECTION 1. Section 5 of the merchant marine act, 1920, is amended to read as follows:

"SEC. 5. (a) That in order to accomplish the declared purposes of this act, and to carry out the policy declared in section 1 hereof, the board is authorized and directed to sell, as soon as practicable, consistent with good business methods and the objects and purposes to be attained by this act, at public or private competitive sale after appraisal and due advertisement, to persons who are citizens of the United States, except as provided in section 6 of this act, all the vessels referred to in section 4 of this act or otherwise acquired by the board.

"(b) Any vessel may be sold without such advertisement or such competitive sale, if such action is specifically authorized by the board upon an affirmative vote of not less than five of its members, and if such vote and a full statement of the reasons for authorizing such sale are spread upon the minutes of the board.

"(c) Any sale under this section shall be made at such prices and on such terms and conditions, including the use or disposition of the vessel by the purchaser, as the board may prescribe; except that (1) the completion of the payment of the purchase price and interest shall not be deferred more than 15 years after the making of the contract of sale, (2) interest on the unpaid purchase price shall be payable at least annually at a rate of not less than 4 per cent per annum, and (3) the payments of principal shall be so arranged that the amounts due or paid under the contract of sale as principal up to any moment of time shall be sufficient to cover depreciation of the vessel up to such moment, unless the board waives this requirement upon the giving of adequate security.

"(d) All sales made under the authority of this act shall be subject to the limitations and restrictions of section 9 of the shipping act, 1916, as amended."

Mr. GRAHAM of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Page 2, lines 6 to 11, inclusive, strike out all subsection.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, this subsection provides, in brief, that any vessel may be sold without advertisement or competitive sale if the action is specifically authorized by the Shipping Board and if that board writes down on their minutes why they wanted it done. I suppose the idea of those who framed this par-



ticular subsection was that if the reasons were given on some record somewhere that was all that is considered necessary for safety. Let me say to the membership of the committee that I consider this one of the most vulnerable sections. Gentlemen of the committee, and especially those on the Republican side, I want to say a word to you about this. The Republican Party is chargeable for this bill, and properly so. There are several of us here who would like to vote for this bill if it can be amended so that it can be defended among our constituencies, but I want to say to you earnestly now on the Republican side that those who are in charge of this bill had better listen rather carefully to suggestions that are made by those who are friendly to the cause of the Republican Party and friendly to the general principle involved in this bill and be liberal in permitting amendments to this bill. [Applause.] If you do that, so far as I am concerned I want to go along. I do not think I need vouch for my abstract of title to Republicanism. I want to vote for this bill. I want the bill fixed so that I can vote for it, and the place to fix it is here. The Republicans should have fixed it in conference, so as to come in with a united front, but we did not, so we must perfect it here, if at all. Now, we have this one section that ought not to be in this bill. Some of the worst scandals that arose out of our late war came from negotiated sales of surplus materials that came after the war was over. Millions of dollars worth of surplus material were sold without advertisement, not sold as the result of competitive bidding, and sold by negotiated sales. Those sales stink to the high heaven. Here are \$3,000,000,000 worth of ships. It may be that they are only worth \$150,000,000. Here are 2,200 ships, and the members of the majority side, because it is our bill, propose to give to the Shipping Board, composed of men who may or may not know what the ships are worth, and who may or may not be honest, the power to sell these ships for anything they see proper. What sort of proposition is that? Let me tell you something, gentlemen on the Republican side. For every mistake or error of judgment that this Shipping Board may make in their sales of these vessels we will be held responsible, and the people of this country will not question whether they were errors of judgment or mistakes, but they will hold us responsible for the worst possible construction to be placed upon their acts. This section ought to be stricken out.

These ships ought to be sold by competitive bidding so that you can go to the country and defend the sales. I sincerely trust that this section will go out of this bill. [Applause.]

Mr. FREAR. Mr. Chairman, I wish to speak to the same amendment.

The CHAIRMAN. The gentleman is recognized in opposition to the amendment.

Mr. FREAR. In favor of the amendment. I take the same position so far as the pending amendment is concerned as the gentleman [Mr. GRAHAM of Illinois] who preceded me. I also take the same position regarding my Republicanism, which has been uniform for many years since the first time I ever voted. As I received a majority of over 37,000 in the last primary, I have no apology to make. I want to read something in regard to this very question which comes to me from the New York Herald upon this very point, an article which has been printed and circulated throughout the country in regard to views expressed several days ago by the Wisconsin delegation. A reporter of the New York Herald called on me and endeavored to put words in my mouth which I refused to agree to. This is the first time this has happened to my knowledge from any reputable reporter. As a class they are of as high a character as men on this floor, I believe. This is what he said in addition to the authorized statement given out, which authorized statement was as follows:

I have been instructed to say that the Wisconsin delegation individually and collectively expects to work with the Republican organization as heretofore. It has no candidate to offer nor support to ask as a delegation. Primarily, it is interested in the enactment of progressive legislation, which is interpreted to be a recent mandate from the people.

Here is the misstatement that has no basis of fact whatever, as follows:

Mr. FREAR said the Wisconsin delegation would not oppose the selection of Mr. GILLET and Representative LONGWORTH as Speaker and Republican floor leader.

That statement was never made, never could be made, because never discussed by the delegation, and existed only in the imagination of the Herald reporter. No other paper, to my knowledge, has printed any such inference as that published by this paper.

Mr. MONDELL rose.

The CHAIRMAN. For what purpose does the gentleman from Wyoming rise?

Mr. MONDELL. Mr. Chairman, we want to conclude the consideration of this bill. We want to have every provision of

the bill read and an opportunity allowed for amendment before the time comes for voting. In order to do that the House must confine itself to the matters before it. I hope the gentleman from Wisconsin [Mr. FREAR] will not bring in extraneous matters and that we may get down to the discussion of the bill and the amendment.

Mr. FREAR. I am in sympathy with the gentleman. I want to make just a brief statement.

Mr. MONDELL. I hope the statement the gentleman will make will be very brief.

Mr. FREAR. My brief statement is, in effect, that I never made such a statement. There is no truth in it, because I could not speak in any way for the delegation. As to another part, that the Republican leader believes it is a confession of weakness, I do not believe any Republican leader ever made such a statement to the Republicans.

Mr. EDMONDS. I am going to accept the amendment.

Mr. FREAR. Well, of course, if the gentleman is going to accept the amendment, I will not pursue the matter further.

Mr. LINTHICUM. Mr. Chairman, let the amendment be read again.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that the amendment be again read.

Mr. MONDELL. The amendment was read clearly. It is an amendment simply to strike out.

Mr. LINTHICUM. I could not hear in the confusion.

The CHAIRMAN. The amendment is to strike out paragraph (b) of the section.

Mr. EDMONDS. The amendment is to strike out paragraph (b), on page 2. So far as the committee are concerned, we are perfectly willing to accept the amendment.

The committee put it in for this reason—that the Shipping Board found itself in the position where it would be forced to advertise every time a man made a request for a ship. That took time—a large amount of time. Sometimes a prospective purchaser found another ship, and the Shipping Board did not sell to him. This is not vital to the bill, and it makes no difference to the committee. We are perfectly willing to accept the amendment.

I want to say further that we are having prepared an amendment that will take the industrial ships, like those of the Standard Oil and the United States Steel, away from being the recipients of any subsidy.

This matter was taken up with five or six of the Republicans in the committee who drew the bill, and, although we deemed that it is absolutely vital for war purposes that we should have these ships, however it seems to be the sentiment of the House that we are not going to have any more wars and that we do not need the ships. I will offer an amendment to take that compensation out of the bill.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. LONDON. Does not the expression, "public or private competitive sale," on the first line of page 2, comprise the very language that paragraph (b) was intended to provide for?

Mr. EDMONDS. As I understand it, they invite 10 or 15 people who are likely to purchase a ship. When a man comes in and asks for a ship they will invite 10 or 15 people who are likely to purchase the ship and make a private competitive sale for it. In other words, they will auction it off.

Mr. WHITE of Maine. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. I do not want the House to be laboring under a mistake. Outside of the tankers we have got 1,200 ships, of 9,059,000 tons—dead-weight tons. Twenty-eight and five-hundredths per cent of those vessels are of the lake type; 14.07 per cent of the dead-weight tonnage of those vessels are of the lake type. I am trying to give you information. So far as the committee is concerned we will accept the amendment and be prepared to go on.

Mr. WHITE of Maine. Mr. Chairman, I wish to say a word in behalf of myself and others who are somewhat responsible for this provision going into the bill. One of the considerations favoring its insertion is the one expressed by the gentleman from Pennsylvania. There has been a fear expressed over and over again that a few localities and a few interests would acquire these ships if they were put up to competitive bids to the exclusion and prejudice of other localities. There is a provision of the bill under which certain areas are sought to be taken care of, a provision looking to maintenance of existing lines.

A further reason for this provision was that these localities that have existing lines under this provision might acquire these ships notwithstanding, for instance, New York, Philadelphia, or Boston interests might be willing to come in and outbid them at a competitive sale. We were seeking by this pro-

vision to make an equal distribution of these ships throughout all the territory of the United States.

Mr. HARDY of Texas. Mr. Chairman, the gentleman has come to the latter part of the game. I would like to be heard a moment on this same amendment.

The CHAIRMAN. The gentleman's time has expired.

Mr. MONDELL. The debate is exhausted on the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas can make a proper motion.

Mr. HARDY of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. HARDY of Texas. Mr. Chairman, just in order to keep the record straight I wish to say that in this committee the minority members tried their very best to have this section of the bill stricken out, and we went back to the act of 1920, the Jones Act, which required advertisement and competitive bids, and we insisted that these ships should not be sold except after due advertisement under competitive bids, and the majority of the committee then refused to accept our proposition. But I note that they now have come to terms.

We shall move later to strike out and go back to the act of 1920. Not only is this paragraph subject to objection but I am glad to see that on this day the wakening interest of the people is causing the gentleman from Pennsylvania [Mr. EDMONDS] to accept one amendment in the interest of the honest administration of this law, if it is to be passed. [Applause on the Democratic side.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn in opposition to this amendment.

Mr. MONDELL. Mr. Chairman, it may be proper that this amendment should go out. And yet, speaking from the technical standpoint, it may be proper that it should stay in. If it is necessary for the corporation to do business there ought to be a provision of this sort. Unfortunately you can not—and you can not largely because of partisanship and partisan criticism—conduct these transactions as they would be conducted by private parties. If the ships were sold under a provision of this sort and the sale were ever so proper and legitimate, even if it were just what should be done, it would afford the opposition the opportunity to criticize.

I think we should not leave anything in this bill which by any possibility can give anyone an opportunity to say that we are not in an honest, straightforward, aboveboard way trying to make possible the carrying of the American flag on the high seas. Of course this board ought to have some discretion; and yet, being a Government board, as matters go in this country, we can not give them that discretion without involving criticism. Therefore the provision ought to go out.

The CHAIRMAN. The question is on agreeing to the amendment.

The question being taken, the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: On page 2, line 13, after the word "conditions," strike out the following words: "including the use or disposition of the vessel by the purchaser."

Mr. DAVIS of Tennessee. Mr. Chairman, the provision which I propose to strike out is one of the innumerable provisions in this bill conferring upon the Shipping Board extraordinary power and discretion. The bill as it reads authorizes them to sell at such prices and on such terms and conditions as they may prescribe, "including the use or disposition of the vessel by the purchaser."

Now, if an American citizen desires to buy one of these ships and is able to buy it and pay for it, why should the Shipping Board be given the right to say what he shall do with it, or whether he shall operate it or where he shall operate it, or whether he shall sell it to some other American citizen? There are provisions in the bill against the transfer to foreign registry and such things as that, but this provision which my proposed amendment would strike out simply gives the Shipping Board a power which they should not possess and a power by which they could work injustice to American citizens and favor other American citizens. My amendment ought to be adopted.

Mr. MOORE of Virginia. May I interrupt the gentleman for a moment?

Mr. DAVIS of Tennessee. Yes.

Mr. MOORE of Virginia. It is a fact, is it not, that this language which the gentleman is criticizing does not appear in the Jones Act?

Mr. DAVIS of Tennessee. It does not appear in the Jones Act. I want to say in this connection to the Members on the other side that the merchant marine act of 1920, known as the Jones Act, which this bill proposes to mutilate and in many particulars to destroy, was enacted by a Republican Congress, and the last Republican platform boasted of the wisdom of that act and of the fact that it would "insure the establishment and maintenance of an American merchant marine." And as was suggested by the gentleman from Virginia [Mr. MOORE], this provision which I propose to strike out changes the act of 1920 in that respect.

Mr. WHITE of Maine. Mr. Chairman, I rise in opposition to the amendment. I do not suppose anyone will question the legal right to sell conditionally anything that you may possess. The prime purpose of including this language here was much the same as that which prompted the provision which has just gone out of the bill. It was an effort to make certain that these ships owned by the Government should be equitably distributed throughout the ports and localities of the United States. We were moved by the desire to make certain, if it could be done by law, that if there were a fleet of vessels or a single vessel moving, we will say from Baltimore to Chile or from Galveston to Habana, or from any other port to a foreign port, if those vessels were sold the United States might say to the purchaser, "You have got to maintain the service which the people of that particular locality are now enjoying." It is a provision put in the bill in the interest of the whole United States—in the interest of the ports of the Pacific, the ports of the Gulf, the ports of the Atlantic—to make sure that the people dwelling in those localities shall have an adequate shipping service. That is the only reason for putting it in, and that is the reason why it ought to be left in the bill.

Mr. SNELL. Will the gentleman yield for a question?

Mr. WHITE of Maine. Yes.

Mr. SNELL. If this provision should be stricken out of the bill what would hinder a man who is now operating a Government ship buying it at a very low figure, with the intention on our part that he should continue it in that service, and then turning around and selling it to some foreign purchaser?

Mr. WHITE of Maine. There would be the general provision of law against the sale to foreign interests without consent, but there would be no provision of law which would compel a man to keep that ship in a desirable service. This provision is entirely for that reason.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. WHITE of Maine. Yes.

Mr. BRITTEN. Is it not also intended to prevent destructive competition?

Mr. WHITE of Maine. I do not know what some other persons may have had in mind with respect to that, but that was not what was in my mind. I can only repeat what I said, that my thought was that we ought to maintain so far as possible by law existing services, and we ought to create services elsewhere if it was desirable to do so, and we thought this provision made it possible in some degree, so far as law can do those things, the bringing about that result.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. WHITE of Maine. I yield to the gentleman from Tennessee.

Mr. DAVIS of Tennessee. I want to ask the gentleman from Maine if it is not a fact that the purpose and effect of the provision would be that the Shipping Board could prevent competition by withholding the sale of ships wherever and in whatever cases they desired to do so?

Mr. WHITE of Maine. I think they can always refuse to sell ships, and that this provision does not affect that situation at all.

Mr. MONDELL. Mr. Chairman, no provision in this bill is more essential or more important than the one which the gentleman from Tennessee [Mr. DAVIS] desires to strike out. If it were stricken out it might happen that every line running from southern ports would be discontinued. It might happen that no line would be permanently continued except a few great steamship lines. It might happen that the service absolutely essential to make the American merchant marine valuable—that is, a regular service from given ports in the United States to given ports abroad—might be abandoned and that we should have nothing except a tramp merchant marine, depriving us of that service which is above all the most essential service, service at stated times from all of the great ports of the country to the peoples with whom we have commerce.



I can not understand how anyone at all favorable to this bill, desirous of building up an American merchant marine, could approve or even suggest the amendment that has been offered by the gentleman from Tennessee. Under it the entire purpose of the bill might be defeated, and if we had a fleet at all it might be that the entire fleet would be largely engaged only in the more remunerative lines of commerce. The smaller ports, the American small harbors having a small amount of commerce, might, if this were stricken out, be entirely deprived of all service under the American flag.

Mr. HARDY of Texas. Mr. Chairman, I wish to answer what has been stated. The trouble with this provision in the bill, and the purpose declared by the two gentlemen who have just spoken, is that it is the purest camouflage. Nobody is more interested than I, and the gentleman who has offered this amendment, in the preservation of the shipping lines in the service of the smaller ports which we hope will be bought and continued in the service of the smaller ports by the people of such ports who will not desire to sell them. But when you attach this provision and limitation to the sale of a ship you will let every little man who wants to invest know that his head is in the lion's mouth, that his paw is in the trap, and that the power of life and death is given to the Shipping Board over his property which he buys and would like to pay for.

It is known further that the big corporations in this country do not have the same fear, because they have influence with the public and with the board to secure permission to sell the ships they might buy. The little investor will go to the Shipping Board as a prospective buyer of ships, but he knows "if he buys this ship they will hold him for all time, not for one year, not for five years, but during all time; they will not permit him to sell that ship." Do you not know that if that is done you will prevent any little man from buying? If the gentleman thought the omission of that would crush southern ports, does he think that in the Jones Act we would have omitted it and sought to crush the southern ports? We did not put it in because we wanted an honest sale, and we provided for a fair valuation and a fair price for the ships, which can only be had by giving a clear title to a ship when you sell it. With this restriction on the title and use of the ships you can not sell them except to the big corporations, knowing they will not be prevented from disposing of the ships.

Mr. DAVIS of Tennessee. Will the gentleman permit a suggestion?

Mr. HARDY of Texas. Yes.

Mr. DAVIS of Tennessee. Is not that specially true in view of the fact that Mr. Lasker stated at the hearings that it would be the policy of the board to require a cash payment to the amount of 80 per cent?

Mr. HARDY of Texas. That is the policy of the Shipping Board, and the ships will be sold to the big interests; they do not favor the little purchasers, and this clause will prevent the little purchaser from buying.

Mr. CHINDBLOM. Mr. Chairman, perhaps a word should be said in the opening of the debate on amendments with reference to the attitude of the committee. Of course, we do not claim that this is a perfect bill or a perfect proposal for legislation. We do say, Mr. Chairman, that the committee has spent many months of hard labor on the bill and thinks it will accomplish the purposes intended.

There are two purposes intended; one is to sell the ships now controlled and operated by the Shipping Board and get them into private hands. The second and larger purpose is to establish an American merchant marine in all the trades and lines where we have a commerce. I am surprised that the gentlemen representing the Gulf States should object to this proposition. The people from the Gulf of Mexico were among those who appealed for protection in the sale of these ships. The people on the Pacific coast were among those who appealed for protection in the sale of these ships. They wanted an opportunity to buy the ships and they wanted the assurance that the ships would be retained on the Gulf and on the Pacific Ocean and in the South Atlantic ports.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BANKHEAD. The gentleman has expressed a good deal of solicitude about the trade in the Gulf and South Atlantic ports. Why was not he willing to accept the request of the representative from those interests that section 7 of the Jones Act should be allowed to remain as it is?

Mr. CHINDBLOM. Does not the gentleman from Alabama know that the representative agreed to the provisions in this bill?

Mr. BANKHEAD. I do not know it, and we will show that when we reach the section.

Mr. CHINDBLOM. Mr. Chairman, speaking for myself, we are anxious to have constructive criticism and constructive amendments, but we do not think we should yield to those gentlemen who propose to kill the bill and kill the legislation and who will not vote for it no matter what you do. [Applause.] You may adopt every amendment suggested by the gentleman from Tennessee, and when you are all through I doubt if he will vote for the bill. If the friends of the bill come forward and make the proper suggestions and offer proper amendments, this committee will listen attentively and receptively to any such suggestions. This provision is an essential portion of this legislation if we are to maintain an American merchant marine and preserve our trade in the sections of the country where that is necessary, and the provision should be retained in the bill.

The CHAIRMAN. The question is on the amendment.

Mr. FREAR. Mr. Chairman—

The CHAIRMAN. Debate has been exhausted on the amendment.

Mr. FREAR. Mr. Chairman, I move to strike out the last word. I want to say in answer to the gentleman who has last spoken that I understand him to say that only amendments will be permitted to this bill coming from those who are recognized friends of the bill.

Mr. CHINDBLOM. I did not say that.

Mr. FREAR. I take it that there are many gentlemen on the floor who have not yet determined in their own minds what their course will be. I think there are such Members on both sides of the House. I understand by statements made by members of the committee that there are 1,400 ships now held by the Government and 13 are in commission under the Shipping Board.

Mr. CHINDBLOM. There are 400 ships out of the 1,298, outside of the tankers.

Mr. EDMONDS. I can give the gentleman the figures.

Mr. FREAR. I will assume the statement made by the gentleman from Illinois is correct. Is there danger that the 1,000 ships are going to be taken over by certain interests, so as to prevent the whole country or every port in the United States from being taken care of? That is the question in my mind on this particular amendment. In whose power will you put it to determine where these boats are going? Mr. Lasker's? Mr. Lasker is the publicity agent and concedes that he is not acquainted with the merchant marine service, I understand.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. FREAR. In a moment. Here are a thousand ships unsold, and you want to sell them. We want to sell them to anyone who will buy them. You say that some of them are to be given away. Let us try to sell them if we can, and do not let us give all of the power to this commission, so that they can say that the ships shall go to a Gulf port or to a seaport in the Orient, or elsewhere. Let us say that these ships are for sale, and before the thousand now unsold are exhausted it may be we will come back here and control the rest, if we find there is no provision for Gulf ports about which the gentleman seems to be so anxious.

Mr. EDMONDS. Right in that connection with this amendment, let us presume that there is a line running out of Galveston or some southern port, and that somebody comes in from New York having more money than this line has, who wants to buy a number of ships to put into competition with that line. We used the term:

including the use or disposition of the vessel by the purchaser—

Mr. FREAR. Then that would remove the competition to which the man who ships is entitled. You are by this provision attempting to give a subsidy, and you are trying to destroy competition or putting it in the hands of Mr. Lasker to do it. I do not think that is good Republican doctrine; it is not good American doctrine.

Mr. WHITE of Maine. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes.

Mr. WHITE of Maine. As I understand the situation, it is this. I want to talk on the point that the gentleman is discussing.

Mr. FREAR. Just ask the question. That is all I care to say on this amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 52, noes 90.

So the amendment was rejected.



Mr. SEARS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. SEARS: Page 2, line 1, after the word "public" strike out the words "or private."

Mr. SEARS. Mr. Chairman, on the 20th of this month this bill was introduced and on the 21st was reported, and Members of Congress could not get the bill, consisting of 63 pages and involving about \$6,000,000,000 worth of property, until the following day. The President of the United States on the 22d came before Congress and addressed us, and at that time urged us to pass this bill. Therefore, I presume the President knew what the bill contained. All last week the chairman of this committee and those who he states are friends of the bill fought for the bill as it stands. I want to congratulate those on the Republican side for getting a softening of the heart and at least accepting some amendments, such as the amendment offered by the gentleman from Indiana, and also indicating that later on they would offer amendments eliminating the Steel Co. and the Standard Oil Co. Why this change of front and of heart perhaps some day the people will know.

I was struck by the remarkable statement of the chairman of this committee. He said that Mr. Lasker and this board will call in 1 or 2 or 12 or 15 men, who want to buy ships, and will let them bid on the ships, sitting around the table. Who are those 12 or 15 men that are going to be called in by Mr. Lasker? I read before I left home to attend this session for the purpose of considering this bill that a corporation was being formed for the purpose of buying these ships. The President has said that we wantonly, wastefully, and madly expended money during the war. Mr. Chairman, we are now about to wantonly and wastefully waste the people's money and fasten on them, and I fear their children's children, a tax to meet this subsidy, by this hasty legislation. These sales should only be at public sale, where each American citizen will have the right to bid on the ships, and no man should have the right to call in 10 or 12 or 15 of his friends and let them sit around the table and go through the farce of bidding on these ships. Those of us who have been in public life and have seen these private sales know what they mean. We know that the little man who wants to buy a vessel will never get a chance to bid upon it. We know who are going to finally get these ships, although we have been unable to find out during the debate, and I want to again congratulate my Republican friends upon their repudiation of the President of the United States by admitting that the bill he urged us to pass was not properly drawn; that it is subject to amendment, and that we should amend it. I hope the chairman will also accept the amendment which I have offered in order that no one man—and I mean no reflection on Mr. Lasker, we do not know who will be the guiding spirit when these sales are made—shall have the right to invite a few friends to sit around a table and go through the farce of bidding on these vessels. Let each and every American citizen have the right to bid on these vessels at public sale, and then the people can not complain.

Mr. EDMONDS. Mr. Chairman, all I want to say in answer to the gentleman is that this is existing law and it has worked satisfactorily. There has been none of the scandal that occurred during the Democratic administration of the Shipping Board. All parties in interest have been notified. This has been done right along. There is no real reason for taking it out of the bill. It is in the Jones Act and has worked satisfactorily for two years.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. When the amendment was offered by the gentleman from Illinois [Mr. GRAHAM] to strike out subdivision (b), it was, I take it, unanimously stricken from the bill.

Mr. WHITE of Maine. Oh, I voted against it.

Mr. BLANTON. The gentleman from Maine is the only vote that I know of who was against it. It was repugnant to the sensibilities of the House that that provision should stay in the bill.

Mr. CHINDBLOM. There was another thing that was against it.

Mr. BLANTON. Yet at the time that amendment was offered it remained for the gentleman from New York [Mr. LONDON] to call attention to the fact that the very power that we were seeking to take away from the Shipping Board was yet in the bill, in the language of the preceding paragraph. There is no question but that the vice of subdivision (b) is still in this bill, and the amendment by the gentleman from Florida [Mr. SEARS] will strike it out, and it ought to be stricken out. You say that there ought to be private sales without real advertisement and without public competition.

There was read into this RECORD the other day by the gentleman from Tennessee [Mr. DAVIS] an article that appeared in last week's New York Tribune, showing that two officers of the Shipping Board who are now out of the people's Treasury drawing each an annual salary of \$35,000 are forming a syndicate to buy the 13 boats that are now in operation and which are making some profit.

Mr. EDMONDS. Will the gentleman yield?

Mr. BLANTON. They are to buy these boats. How? Buy them in open competition with the shipping interests of the world? No. I take it if they are to buy them the Shipping Board would give them the same privilege of buying them at this private sale they would give anyone else. We have a spectacle of these \$35,000 a year members of the Shipping Board sitting around the table and buying these 15 ships without real competition.

Mr. SNELL. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. SNELL. I do not understand the provisions of this section as the gentleman does, and I wondered if the gentleman or myself was wrong. It means private competitive sale—get the real meaning of the bill.

Mr. BLANTON. The gentleman has probably in the course of his experience heard of competitive sales where there was no real competition, where competition is arranged beforehand, where there are but two bidders and both friendly so far as their interests are concerned, unknown to the seller. That could be the competition.

Mr. SNELL. Will the gentleman yield further?

Mr. BLANTON. I will yield.

Mr. SNELL. Why not take the whole line in the consideration of the amendment? It does not mean the same to me as to the gentleman, and I am perfectly honest, and I believe the gentleman is. It says, "private competitive sale after appraisalment and due advertisement."

Mr. BLANTON. The Shipping Board—

Mr. SNELL. Come down to what is in the bill and be honest.

Mr. BLANTON. I am going to be honest with the gentleman. The Shipping Board appraises those 15 boats—

Mr. SNELL. And due advertisement.

Mr. BLANTON. Just a moment. It does not provide real advertisement.

Mr. SNELL. Then I can not read. Take the bill and read it.

Mr. BLANTON. Except to specify—

Mr. SNELL. After appraisalment and due advertisement.

Mr. BLANTON. What is due advertisement? [Laughter.] Does it mean it is in open shipping journals in the United States?

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. I have been interrupted and I ask for five additional minutes.

The CHAIRMAN. Is there objection. [After a pause.] The Chair hears none.

Mr. SNELL. Will the gentleman yield?

Mr. BLANTON. Just a moment.

Mr. SNELL. Come to a consideration of the bill.

Mr. BLANTON. One question at a time and I will answer the gentleman.

Mr. SNELL. That is all I ask.

Mr. BLANTON. They advertise in some little insignificant paper down at Norfolk—

Mr. SNELL. Is that due advertisement?

Mr. BLANTON. Or at Richmond, that they are going to sell certain boats at private sale. No one knows about the inside agreements.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. BLANTON. In a moment. These \$35,000 a year shipping experts with some friends come in and sit around a table, and one offers an insignificant sum, such as was offered when the first boats were put on sale, of \$1, and these experts then make their offer. Now I yield.

Mr. HARDY of Texas. In the hearings before this committee the chairman of the Shipping Board appeared, and he said he had taken a total roster of all the ships they had; that they had appraised them and advertised; and they considered that that appraisalment and advertisement was a compliance with the existing law when hereafter they sought to sell a ship.

Mr. BLANTON. That answers the gentleman from New York [Mr. SNELL]. I want to say to the distinguished gentleman from Illinois [Mr. GRAHAM], who is sincere, if he wants to see the people's interests are safeguarded, I want to say to him that if he expects to protect the people's interests in this bill he should stand here and insist on these words authorizing private sales going out of this bill, because under the bill



with those words left in you are going to find just such sales made under simulated competition. The distinguished gentleman from Illinois is an expert lawyer; he has been around courthouses for years; and he knows that in many instances there has been an apparent competition, there has been an apparent advertisement, there has been an apparent due notice, and yet there is no competition whatever concerning the sale of property in large amounts. I want to say he ought to stand up and insist upon those words going out if he is still sincere in wanting to protect the interests of the people.

Mr. MONDELL. Mr. Chairman, of course the gentleman who has occupied 10 minutes time would not vote for the bill if this amendment or any other amendment—

Mr. BLANTON. The gentleman has me right.

Mr. MONDELL. Were agreed to. He is against the bill, against the principle of the bill, against the method of making the bill, and he would be against the bill under any and all circumstances. I am not surprised at gentlemen on the Democratic side being disturbed for fear something will not protect the public interest. We have had enough examples of that sort of thing during their administration to put anyone in a frame of mind to be suspicious. But, Mr. Chairman, we expect the gentlemen who are in charge of these important affairs for the Government to be honest, conscientious men, trying to do their duty. Objection is made to the use of the word "private" or "private competitive sale." I do not think that it is the happiest phrase that could be employed, but what it intends to cover is the sale under sealed bids. This is the provision of the existing law. The gentleman was here when the Jones Act was adopted, and he seemed to have no difficulty about it then. If this word was stricken from the bill, the only way the sale could be made would be by public auction. Every one familiar with sales of this sort knows that there must be other ways of selling than by public auction. There must be sales under sealed bids and that sort of thing which is described here.

Cries of "Vote!"

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The question was taken, and the amendment was rejected.

Mr. HARDY of Texas rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. HARDY of Texas. I rise to strike out section 1 of the bill.

The CHAIRMAN. The gentleman from Texas moves to strike out section 1 of the bill.

Mr. GRAHAM of Illinois. Mr. Chairman, I have an amendment to perfect the section.

The CHAIRMAN. That would be in order before action is taken. The gentleman from Texas has the floor on his amendment if he desires it.

Mr. HARDY of Texas. I shall discuss my amendment, then, and later on—

Mr. FREAR. Mr. Chairman, I wish to offer a perfecting amendment.

Mr. HARDY of Texas. As I understand the ruling of the Chair, I may offer my amendment now, and it will wait until the perfecting amendment has been acted upon?

The CHAIRMAN. Yes.

Mr. HARDY of Texas. I would like to ask unanimous consent to proceed for 10 minutes on this motion.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. GREENE of Massachusetts. I object.

The CHAIRMAN. Objection is made. The gentleman from Texas is recognized for five minutes.

Mr. HARDY of Texas. Mr. Chairman, I am sorry that there has been an objection, because I want to present at some length my reason for offering the motion to strike out this section. It is an amendment to section 5 of the Jones Act. Section 5 of the Jones Act and section 7 of the Jones Act laid down the policy upon which the Republican Party went before the people in 1920 with reference to the merchant marine. I want to read to you section 5 of the Jones Act, which is being amended, emasculated, and destroyed by this bill. Section 5 of the Jones Act provides:

That in order to accomplish the declared purposes of this act, and to carry out the policy declared in section 1 hereof, the board is authorized and directed to sell, as soon as practicable, consistent with good business methods and the objects and purposes to be attained by this act, at public or private competitive sale after appraisement and due advertisement, to persons who are citizens of the United States except as provided in section 6 of this act, all of the vessels referred to in section 4 of this act or otherwise acquired by the board. Such sale shall be made at such prices and on such terms and conditions

as the board may prescribe, but the completion of the payment of the purchase price and interest shall not be deferred more than 15 years after the making of the contract of sale.

Then section 5 continues:

The board in fixing or accepting the sale price of such vessels shall take into consideration the prevailing domestic and foreign market price of, the available supply of, and the demand for vessels, existing freight rates and prospects of their maintenance, the cost of constructing vessels of similar types under prevailing conditions, as well as the cost of the construction or purchase price of the vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell.

Very carefully this bill now under consideration eliminates every restriction placed upon the Shipping Board which requires them to get some fair price for these ships. The bill places them in an attitude where they might sell these ships as junk, for a song or a trifle, even though the United States is not forced to sell. The whole policy of the Government is changed by this bill from section 5 of the Jones Act. And you should bear in mind, gentlemen, you on that side, that section 5 of the Jones Act was by your convention at Chicago, when you nominated Mr. Harding, declared to express the policy of the Republican Party with reference to maintaining a merchant marine.

And when you get to section 7 of the Jones Act you will find that the words sought to be stricken out of this bill by my friend from Tennessee is intended to repeal that section. Section 7 of the Jones Act declares that if the Shipping Board could neither sell those ships for what they were worth or charter them for what they were entitled to bring, then the Government could operate the commercial lines necessary to the welfare of this country until they had demonstrated the feasibility of such lines and then they could sell at a fair price.

Gentlemen, if you adopt section 1 of this bill, you are blotting out section 5 and section 7 of the act which you once approved by your votes in this House in 1920 and which you approved by the declaration of your party platform, and you abandon what you went to the people on, and you adopt another policy by which you place an unlimited power in the Shipping Board to sacrifice every ship the Government owns and to sell at a song that which cost our people \$3,000,000,000 and which you could not replace to-morrow for less than \$75 a ton. They propose to sell them at an average of \$20 per ton. You could not replace these ships for \$75 a ton. There are a great many passenger ships among them. You know you could not replace them for \$75 a ton.

This law upon which you went to the country required that you should sell those ships for something like what they were worth. That law provided also that you should consider what they could be rebuilt for when you went to price them. You should consider the world prices, and then if the shipping interests undertook to hold up the Shipping Board by refusing to bid, that law requires that the Shipping Board shall operate these ships along desirable lines until they do establish the feasibility of maintaining those ships in operation.

Yes; there is an offer now, I understand, to buy the United States Line, which is being operated by Mr. Rossbottom. Just as fast as the Shipping Board puts a successful line in operation you are going to find a private interest coming in to buy, and then the Shipping Board may sell them for a song, may sell them for whatever they please. Are you in favor of that?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GRAHAM of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

Mr. BRIGGS. Mr. Chairman, the other amendment, offered by Judge HARDY, is still pending for debate, is it not?

The CHAIRMAN. It is open to debate. The gentleman from Illinois [Mr. GRAHAM] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Page 2, line 19, after the word "than," strike out the figure "4" and insert in lieu thereof the figures "4½."

Mr. GREENE of Massachusetts. Mr. Chairman, I will accept the amendment.

Mr. FREAR. Mr. Chairman, I wish to offer a perfecting amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. GRAHAM].

The amendment was agreed to.

Mr. FREAR. Mr. Chairman, on line 19 I move to strike out the words "a rate of not less than 4½ per cent," according to the present amendment, and insert simply the figure "6."



The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FREAR: Page 2, line 19, strike out "a rate of not less than 4½" and insert in lieu thereof the figure "6."

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that that is not in order, because the committee has just passed an amendment fixing the number. You can not offer to strike out a number and insert another number.

Mr. FREAR. I will abide the ruling of the Chair. If the Chair holds this amendment out of order, then I will offer another.

The CHAIRMAN. If the amendment of the gentleman from Wisconsin simply struck out the language that was inserted it would not be in order; but it proposes to strike out other material language, and therefore the Chair overrules the point of order.

Mr. FREAR. My reason for offering this amendment is this, Mr. Chairman: It seems to me we are to act intelligently here. I hope so. Even though the members of the committee believe this is a proper bill to put through, in present form, I ask you in all fairness, what law there is to-day that puts in the hands of any man or any set of men the right to determine in their own judgment the rate of interest that may be charged?

Mr. WHITE of Maine. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. WHITE of Maine. The existing law authorizes the Shipping Board to take any rate of interest they see fit.

Mr. FREAR. Then that is the only board which does that, to my knowledge. That being so, it seems to me we should state positively in the statute in this case, as we do in every other case, as the law does when dealing with foreign loans, what the rate shall be, so fixed that the board can not change it. We ought to fix the rate. Whether it is 4½ or 6 per cent is a secondary consideration; but why should we place in the hands of a set of men the right to say to the gentleman from Wyoming, "You can have this at 4½ per cent," and to the gentleman over here on my right, "You may have it at 10 per cent"? Why place that discretion in the hands of anyone. And where have you ever done it before?

Mr. MONDELL. On the foreign debt the limitation is not less than 4½ per cent.

Mr. FREAR. We fixed it there because of the rate at which we sold the Liberty bonds. I tried to put through on the floor the very amendment mentioned fixing the interest rate and you voted against it. Now, I ask you to vote the restriction so that it will not be in the hands of two or three men or five men to say that the rate of interest to one man shall be 10 per cent and to another 4½ per cent. Let me say in addition that 6 per cent is the rate. That is the rate the average man out in my country pays on his loans. Why are you putting it at 4½? I ask that you treat all alike.

Mr. WHITE of Maine. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. WHITE of Maine. It is because of the existing law.

Mr. FREAR. I do not care about the existing law. Let me say that I do not believe one man on this floor, outside of your committee, knows what the existing law is. When the bill was put through some of these matters of taxation were not known to the Members, and I question whether the members of the committee themselves could explain to the satisfaction of the House the meaning of these taxation propositions claimed to be in existing law. We are dealing with the bill before us. We are fixing a law that is going to control the loaning of \$125,000,000, and I say we ought to fix the rate of interest positively, and fix it at the ordinary rate paid in the West, and not grant special favors as is done in this bill.

Mr. BRIGGS. Is it not true that the President in his message to Congress last week expressly condemned the existing law for not fixing a definite rate with reference to the interest upon construction loans, stating that it left it open to the whims of favoritism?

Mr. FREAR. That is the position that I assume ought to be taken in regard to this bill.

Mr. WHITE of Maine. Mr. Chairman—

The CHAIRMAN. The time of the gentleman has expired. The question is on agreeing to the amendment offered by the gentleman from Wisconsin [Mr. FREAR].

The question being taken, the amendment was rejected.

Mr. BRIGGS. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. BRIGGS. To debate the amendment.

Mr. MONDELL. Is the gentleman in favor of the amendment?

Mr. BRIGGS. I am in favor of the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRIGGS. I move to strike out the last word.

Mr. MONDELL. I think we ought to have a vote on the amendment.

Mr. BRIGGS. The amendment I am referring to is not the one that has been passed on. It is the amendment pending.

The CHAIRMAN. The question is on the amendment of the gentleman from Texas [Mr. HARDY] to strike out the entire paragraph. To that the gentleman from Texas [Mr. BRIGGS] offers a motion to strike out the last word. The gentleman is recognized for five minutes.

Mr. BRIGGS. Mr. Chairman, as I understand it, the Frear amendment has been voted on.

The CHAIRMAN. The amendment pending is the amendment of the gentleman from Texas [Mr. HARDY].

Mr. BRIGGS. Mr. Chairman, under section 5 of the existing Jones law there is nothing to prevent the Shipping Board from selling the fleet to-day at any price it chooses consistent with good business judgment. When the question came before your committee of striking out of it the safeguards now contained in section 5 the question was asked repeatedly why the Shipping Board should be relieved of all responsibility when they can already sell the fleet for any price they desired. But, my friends, the testimony developed that when bids were invited for this great fleet last February the bids which were received were so hopelessly inadequate that the chairman of the Shipping Board called them facetious. The witnesses before the joint committee testified that there was no sale for the ships; and yet advocates of this subsidy insisted that the Government should sell the ships as soon as possible, although in the same breath they admitted that there was no market for the ships.

What is the meaning of this amendment to this act which is now contained in the bill? It can mean only one thing. It is to give to the Shipping Board the impression that Congress did not want them to observe prudence and good business judgment any longer, but wanted them to sell the ships at all hazards, no matter if they were sold for \$5 apiece or 5 cents apiece. That can be the only reason. It can be the only effect of this amendment. My friends, I am persuaded that when you take this safeguard out of the bill you will never get \$200,000,000, even for a fleet of 10,000,000 tons of ships, but will sacrifice it for a mere pittance and then pay the syndicate that acquires it a tremendous subsidy based not upon the sacrifice purchase price but upon the cost of new construction. The motion of Judge HARDY should prevail.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. HARDY].

The question being taken, on a division (demanded by Mr. HARDY) there were—ayes 37, noes 69.

Accordingly the amendment was rejected.

Mr. LEHLBACH. Mr. Chairman, inasmuch as section 3 has been stricken from the bill, I offer the following amendment:

Page 2, line 12, strike out the letter "c" and insert "b"; page 3, line 1, strike out the letter "d" and insert "c."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. LEHLBACH: Page 2, line 12, strike out the letter "c" and insert "b"; page 3, line 1, strike out the letter "d" and insert "c."

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. STEVENSON. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 2, line 1, after the word "sale" insert the words "under sealed bids."

Mr. STEVENSON. Mr. Chairman, as the bill has been left the provision enables them to assemble around the table when many of the people who want to buy will not be there, and shade their bids in order that certain people can acquire ships, while the people who are not there have no opportunity to shade their bids. If they are going to sell at private sale under competitive bids they should be sold by the bids that have been made, and not on the bids that may be jockeyed after they have gathered there.

The gentleman from Pennsylvania [Mr. EDMONDS] a while ago said that they had decided that they were going to undertake to remove from the bill the provision giving a subsidy to the Standard Oil Co. and other great interests of that character. If you allow them to buy these ships at just such a figure as they see fit to make, they do not care very much whether they get a subsidy or not, because, after they have acquired the ships at such a price as they want, you have left in the tariff bill a provision that when the shipbuilder imports the materials of which he builds the ship—and the gentleman



from New York [Mr. CHANDLER] made the statement that they could buy them cheaper abroad—if he sells the ship to a foreigner the Treasury will give him a rebate on all the tariff he paid on the material. If he sells it to go under the American flag he sells it loaded, so you have made it impossible for the cheapest method of getting ships to be followed, except to get them by these bids, and I am in favor of hedging it about so that nobody can acquire them by method of favor, or by jockeying of bids after they get around the table, when other competitors can not get there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. STEVENSON) there were 26 ayes and 69 noes.

So the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I move that all debate on the section and all amendments thereto be now closed.

Mr. BLANTON. Mr. Chairman, I have a perfecting amendment that I want to offer to the section.

Mr. HARDY of Texas. Mr. Chairman, does the adoption of this motion cut off amendments to the section?

The CHAIRMAN. It does not. It cuts off debate. The question is on the motion of the gentleman from Wyoming that all debate on this section and all amendments thereto be now closed.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 66 ayes and 28 noes.

So the motion of Mr. MONDELL was agreed to.

Mr. BLANTON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 23, after the word "moment," insert the words "together with an equal annual payment of the consideration price."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment, and I would like to ask the attention of the chairman to the reading of it.

The Clerk read as follows:

Page 2, line 2, following the words "due advertisement," insert the words "hereafter published."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was rejected.

Mr. HARDY of Texas. Mr. Chairman, I offer the following amendment:

At the end of section 1 insert the following: "The board in fixing or accepting the sale price of such vessels shall take into consideration the prevailing domestic and foreign market price of, the available supply of, and the demand for vessels, existing freight rates and prospects of their maintenance, the cost of constructing vessels of similar type under prevailing conditions, as well as the cost of the construction or purchase price of the vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell."

Mr. Chairman, I take that language from the Jones Act.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of section 1 insert the following: "The board in fixing or accepting the sale price of such vessels shall take into consideration the prevailing domestic and foreign market price of, the available supply of, and the demand for vessels, existing freight rates and prospects of their maintenance, the cost of constructing vessels of similar types under prevailing conditions, as well as the cost of the construction or purchase price of the vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. HARDY of Texas) there were 35 ayes and 64 noes.

So the amendment was rejected.

Mr. OLIVER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Amend section 1 by adding the following proviso: "Provided, however, That the ship known as the *Leviathan*, now being reconditioned, shall be not sold for a price less than the cost for reconconditioning said vessel."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. OLIVER) there were—ayes 54, noes 57.

Mr. GARRETT of Tennessee. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chair appointed Mr. OLIVER and Mr. EDMONDS to act as tellers.

The committee again divided; and the tellers reported—ayes 81, noes 78.

So the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 2, line 25, insert the following after the word "security":

"Provided, however, That no employee of the Government shall in any way be interested as a vendee in any purchase made from the Shipping Board."

Mr. GREENE of Massachusetts. Mr. Chairman, there is no objection to that amendment.

Mr. MONDELL. That is the law already.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. (a) Section 7 of the merchant marine act, 1920, is amended by inserting after the first proviso thereof the following: "Provided further, That domestic communities primarily interested in such lines shall be understood to mean the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with the particular ports from which such lines may run or be intended to run, and the territorial regions and zones naturally tributary to such ports and coastal divisions: Provided further, That the board shall not for the period of two years after the enactment of the merchant marine act, 1922, sell such vessels to persons other than those who have the support, financial and otherwise, of the domestic communities primarily interested in such lines:"

(b) Such section is further amended by adding at the end thereof a new paragraph to read as follows:

"It is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine, and, in pursuance of this policy, the board is directed, in the development of its sales policy, to continue as far as possible and practicable, subject to the provisions of this section, all existing steamship routes and regular services and to endeavor in every way to bring about the permanent establishment of such routes and services, and their retention, as far as possible, in the hands of persons having the support, financial and otherwise, of the domestic communities primarily interested in such routes and services. In carrying out the provisions of this section the board is directed to investigate fully all matters in connection therewith and to conduct hearings at which the persons interested in such communities may have the opportunity to express their views as to the course to be pursued by the board and the methods to be adopted in carrying out the policy herein prescribed."

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 3, line 7, after the word "mean," strike out the following: "the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with."

Mr. DAVIS of Tennessee. Mr. Chairman, by striking out the words proposed to be stricken out by this amendment it will leave the definition to read as follows:

That domestic communities primarily interested in such lines shall be understood to mean the particular ports from which such lines may run or be intended to run, and the territorial regions and zones naturally tributary to such ports.

That would constitute a natural and a correct definition. The language which I propose to strike out is a "joker," and absolutely destroys the pretended purpose of the amendment in the bill. Why do I say that? Simply because the "geographical divisions of the coast lines of the United States" known, for instance, as the North Atlantic and the others specified, goes so far as to permit an absolute nullification of the definition which should be given for the protection of these trade routes. There are several steamship lines that operate boats out of the North Atlantic, the South Atlantic, and the Gulf, or out of two of those, and under the provisions here if they operated one boat out of the Gulf they would be authorized to purchase any boat operating out of any Gulf port, even though their office be in New York and they operated out of the North Atlantic also. Therefore, this joker is for the purpose of permitting certain big lines, with offices in New York, to gobble up some of those little lines operating out of the Gulf and the South Atlantic. The other side will be put to the test on whether or not they are in favor of that, whether they want to strike the joker out and leave the natural meaning. This is very important and has been agitated by the Middle West and the Northwest as well as the South by witnesses who have appeared before the committee and who say if it is not safeguarded they are against this bill. The Middle West Merchant Marine Association, the Mississippi Valley Association, and numerous other organizations have declared against the bill unless that section is reported as it should be by striking this out and adopting other amendments which will be offered.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. GRAHAM of Illinois. I understood in a general way that the Mississippi Valley Association had suggested this language.

Mr. DAVIS of Tennessee. No. I will say to my friend that the gentleman from Alabama [Mr. BANKHEAD] will later offer the identical amendment that the Mississippi Valley Association and others have offered and asked the committee to adopt, and it is widely different in many respects from the language which was adopted by the majority of the committee. The majority of the Committee on the Merchant Marine and Fisheries recognized the importance of this, and in their report on this bill they used this language:

During the hearings, representatives of the Middle West and the South Atlantic expressed themselves as apprehensive that the sales policy of the board might be such as to vest control of the board's tonnage in the hands of monopolistic interests so as to work eventually to the detriment of the shippers of the Middle West, and possibly undo the work done by the United States Shipping Board in building up adequate services from all American ports. The committee recognized clearly the need of insuring that all sections of the country be afforded adequate water transportation facilities, and while believing that the danger of monopoly in cargo lines is not as great as is feared, nevertheless agreed that adequate guaranties should be incorporated in the bill to remove all doubt upon the point.

They have made a pretense of meeting the situation, but as any man can see by reading the language, the language which I propose to strike out absolutely destroys the very purpose which they claim to be wanting to serve. It could not be inserted for any other purpose than that which I have stated, and those who are in favor of protecting all of the ports, those who are in favor of protecting all of the trade routes, and especially those who are interested in protecting the South and also the great Middle West should vote for the amendment and protect and safeguard those sections from monopolistic interests.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. LEHLBACH. Mr. Chairman, the amendment offered by the gentleman from Tennessee [Mr. DAVIS], if adopted, would greatly embarrass, hamper, and restrict the effort to establish a merchant marine serving uniformly all sections of the country. As to the attitude of those persons who are interested in section 7 of the merchant marine act, and supplementary legislation provided for in this bill, I hold in my hand a letter dated June 13, 1922, signed by Mr. Malcolm Stewart, chairman of the Middle West Merchant Marine Association, which speaks for the interests of the shipowners of the Middle West very largely, and in a proposed amendment of section 7, which, in substance, is the amendment carried in this bill, they use exactly the same language in determining the meaning of "domestic communities primarily interested." The effect of the amendment of the gentleman from Tennessee would be not to allow service to a community, a geographical division, North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with the ports from which said lines may run or be intended to run, but would restrict the effect of this limitation to every particular port from which at the present time a boat may run.

Manifestly situations may arise in the service from a particular port at which there is a boat at the present time which make it impracticable to continue the service. Section 7 as we have it prohibits, unless the line or boat is put in charge of persons or citizens of the community affected, any sale for two years, giving the people in the community and in that subdivision an opportunity to organize and to take over the operation of their foreign transportation. But to restrict the limitation to particular ports would seriously hamper and render difficult and embarrassing and at times impractical the effort to furnish adequate merchant marine service for all sections to all parts of the world. That is the idea of this bill.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. The building up of all lines of service and trade routes from various ports of the United States is one of the prime features of the Jones law of 1920. It is specifically provided there that these lines shall be built up and established, so that in time they may be acquired by the community or ports from which they operate. This provision in section 2 of this bill pretends to be in harmony with such purpose, but it is not because it is limited to geographical divisions of the Atlantic, of the Pacific, and the Gulf, so that if any line operating from any one of the ports along the Atlantic, or any one of the ports along the Pacific, or any one of the ports along the Gulf, they would comply with this provision and deny the people of the other ports and the contiguous territory the right to utilize and acquire the American vessels operating in Shipping Board trade routes established from other ports. My friends, this is

one of the most important provisions of this bill. It can not embarrass anybody to have it made clear that domestic communities means the particular ports and territory naturally tributary to them and it can not embarrass the Shipping Board, because the thing itself pretends to leave the impression that lines running from particular ports shall be preserved. Let us see what it says. Amend section 7 of the merchant marine act as follows by providing:

*Provided further, That domestic communities primarily interested in such lines shall be understood to mean the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with the particular ports from which such lines may run or be intended to run, and the territorial regions and zones naturally tributary to such ports and coastal divisions.*

There can be no harm in striking out the language referred to in the pending amendment so as to clearly define that the term "domestic communities" is not limited to coastal geographical zones, and the amendment should be adopted.

Mr. MONDELL. Mr. Chairman, we could not expect gentlemen who are opposed to this bill, and opposed to it in any other form, to be consistent, but I am a little surprised that the gentleman from Tennessee [Mr. DAVIS], who continues to endeavor to convey the impression that he wants to be fair about the matter, should become as widely and as wildly inconsistent as he has in a very few moments in his attitude toward the bill. When we considered section 1 the gentleman moved to strike out the words in lines 13 and 14, "including the use or disposition of the vessel by the purchaser." He said it was not wise to give the Shipping Board authority to insist that a certain service should be maintained; that they should have no authority at all. They should not be in a position where they could compel that service from the port or from the section, and he became quite eloquent in trying to explain what an unhappy thing it would be to give the Shipping Board that authority.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. MONDELL. When we came to section 2 he took exactly the opposite position in regard to the authority of the Shipping Board. I will yield.

Mr. DAVIS of Tennessee. I want to state that the gentleman is incorrect. I—

Mr. MONDELL. I did not yield to the gentleman to make a speech.

Mr. DAVIS of Tennessee. We proposed to fix it so as to protect the routes.

Mr. MONDELL. Of course, the gentleman would not mutilate the bill by taking from it the authority it is proposed to give the Shipping Board to insist upon the continuation of the service from the ports. Now, we have reached another provision of the bill where that authority, or direction under that authority, is to the effect that they shall consider services or sections.

They are not to be compelled, this is a general direction to the board, they are not to be compelled to insist that the service from one port to another shall be continued, but it is their duty at least to see that the service from certain sections shall be continued; that is, that they shall continue to have this service on the North Atlantic and shall continue it on the South Atlantic. The gentleman a few minutes ago did not want the Shipping Board to have any discretion in the matter at all, and now he insists that they shall be given authority to require that service, no matter where it may be or what the conditions may be under which the route shall be continued, even though the service from a neighboring port might be more satisfactory and might be a better service to establish. Mr. Chairman, I want to emphasize the shifting attitude; anything to defeat the bill, anything to embarrass the committee, anything to make the bill less effective, less workable, anything to leave it in a condition where it may be attacked and criticized. That is the attitude the gentleman from Tennessee has revealed by his opposition first to section 1 and his opposition now to section 2.

Mr. CHINDBLOM. Mr. Chairman, I would like to inquire of the gentlemen who are now so solicitous about the Mississippi Valley and the interests associated with the Mississippi Valley Association if they have any information later than June 13, 1922, with reference to their attitude on this matter?

Mr. BANKHEAD. Yes. This is something later than that.

Mr. CHINDBLOM. Let us have it.

Mr. BANKHEAD. We will produce that in due season.

Mr. CHINDBLOM. I have it in writing.

Mr. BANKHEAD. What is your writing that you refer to?

Mr. CHINDBLOM. This is a letter from the chairman of the Middle West Merchant Marine Committee.

Mr. BANKHEAD. What does he say?



Mr. CHINDBLOM. I will tell you what he says. He asks for an amendment, and he proposes exactly the thing that is in the bill. I will read to you what he proposes, and I will ask you to follow the language in the bill and see if there is any difference. This is from a letter of the president of the Middle West Merchant Marine. He requested the following amendment:

*Provided further*, That "domestic communities primarily interested in such lines" shall be understood to mean the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, separately, together with the particular ports from which such lines may run or be intended to run, along with the territorial regions and zones naturally tributary to such ports and coastal divisions.

That is the amendment that was requested by the Middle West Merchant Marine Committee, and I will state that Mr. Malcolm Stewart, its president, says this amendment has been drawn up by the Middle West Merchant Marine Committee, representatives of the Mississippi Valley Association, and others interested in the Gulf and South Atlantic, as being a document calculated to give them the protection desired in their Middle West amendment. Then in this letter of June 13, 1922, he says:

We hope that no member of your committee will get the impression that the Middle West Merchant Marine Committee is only interested in the Gulf and South Atlantic ports.

The contrary is the case—

We are just as much interested in the smaller ports of the North Atlantic, and we are intensely interested in the Pacific ports.

Now, Mr. Chairman, this organization came before the Committee on the Merchant Marine and Fisheries and presented their case and requested certain amendments to the original draft of the bill, and most, if not all, of those amendments are incorporated in the bill. Of course, our friends on the other side wish to improve on what our friends in that section of the country themselves desire.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. BANKHEAD. In that case will the gentleman accept in his amendment the actual proposition offered at the hearings by these gentlemen who desire to protect their interests?

Mr. CHINDBLOM. Is not this of a later date?

Mr. BANKHEAD. Oh, I do not know what the date is.

Mr. CHINDBLOM. This is of date June 13. What is yours?

Mr. BANKHEAD. I am talking about the official amendment of the proponents of this proposition.

Mr. CHINDBLOM. This letter is of date June 13, 1922.

Mr. BANKHEAD. If the gentleman will remember the date of the appearance of Mr. Stewart before our committee, he will have the exact date.

Mr. CHINDBLOM. Have you the exact date?

Mr. BANKHEAD. I have not, I will say to the gentleman.

Mr. CHINDBLOM. That is of date May 27. This is June 13.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the "noes" have it.

Mr. DAVIS of Tennessee. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 38, noes 80.

So the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 3, line 14, strike out the word "two" and insert the word "five."

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, this amendment extends the time from two years, as fixed in the bill, to five years, in which domestic communities may acquire the lines on trade routes now operated by the Shipping Board. When this matter was up for consideration by the joint committee, delegations from the Middle West, delegations from the South Atlantic, and delegations from the Gulf appeared and insisted that under existing conditions and prospects they could not hope within less than five years to obtain the financial support which would enable the domestic communities to invest in and take over the Shipping Board service. They came before that committee and—

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. BUTLER. This postpones the sale of the ships for five years—your amendment would do that?

Mr. BRIGGS. This simply gives the local community an opportunity within five years in which to purchase the lines.

Mr. BUTLER. I am not contentious at all.

Mr. HARDY of Texas. That refers to the ships that are now running?

Mr. BRIGGS. Yes; the services that are now being operated.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. SNELL. Does the gentleman think it expedient for the country to extend the limit of the present operations until five years, when we are trying to cut down the expenses and get rid of the expense of this Government ownership and operation?

Mr. BRIGGS. In answer to that I will say that your committee thought it well to extend it at least for two years. The discussion in the committee indicated that if you would turn this fleet over to-day to buyers, although they might buy it for nothing, they would have to tie up the ships until ocean trade revived. The contention made by these sections of the country, by the South Atlantic, by the Gulf, and by the Middle West, was that it would take them five years to obtain the financial support necessary to maintain these services, which they felt are valuable to the communities they are serving—the contiguous territory, embracing largely the Gulf States, the South Atlantic States, and the Middle West—and building up an American merchant marine.

Mr. SNELL. Would not two years be a reasonable time in which to take the ships over? It seems that the intention of the bill is to cut off the expense now borne by the Government as speedily as possible.

Mr. BRIGGS. The section of the Jones Act which is involved here, section 7, declared that it was the purpose to preserve these lines and continue to serve the domestic communities contiguous to them. It was said that two years would not be a reasonable time; that the depression of shipping was so great that you could not hope to interest the people in buying within that time. Therefore, they came before the committee and asked five years.

Mr. SNELL. Could they get the money in five years?

Mr. BRIGGS. The question was not so much buying the boats as running them. Even if you gave the idle boats away, the owners would still have to tie them up until trade revives. You can not keep the idle ships in operation until world trade revives. The greatest depression the world has ever known prevails at the present time.

Mr. SNELL. I am talking about ships that are in existence, ships that are being operated at the present time. Are we not talking about ships that are owned and operated by the Government at the present time?

Mr. BRIGGS. Most assuredly.

Mr. SNELL. Then they are being operated.

Mr. BRIGGS. The lines are being operated, but, my friend, as you have emphasized, along with others I think, the lines are not yet a paying proposition. Money is being lost all over the world, in private operation as well as by the Shipping Board. Mr. Lasker stated in the hearing that the Government to-day is giving as fine operation and fine service as is being given in private operation, and the private operators who testified before that committee said that they were losing money on a part of their service and making only a little on the other. This amendment of five years, instead of two years, carries out strictly the purposes of the Jones law enacted in 1920.

Mr. EDMONDS. Mr. Chairman, answering the gentleman, I should like to say that I have always believed in consistency. The principal losses of the Shipping Board to-day come in those lines that the gentleman wants to perpetuate under MO4 contracts, and that some gentleman in his home town wants to perpetuate under MO4 contracts. We are trying to economize. The opposition have been talking about economizing and about wanting the interests of the Government safeguarded. We want the interests of the Government safeguarded. We went into this matter thoroughly. Only last night Mr. Lasker told me the principal losses of the Shipping Board were made in their effort to establish these lines on the Gulf.

Mr. BRIGGS. Will the gentleman yield for a question?

Mr. EDMONDS. Yes.

Mr. BRIGGS. The gentleman has said I am in favor of the MO4 contracts. I never expressed myself in favor of them; but I want to say that the chairman of the Shipping Board, after denouncing MO4 contracts, held that they are the only things under which those lines can be kept in service.

Mr. EDMONDS. The gentleman knows as well as I do that if those lines are continued they must be continued under something like the MO4 contracts.

Mr. BUTLER. Will the gentleman yield?

Mr. EDMONDS. Yes.



Mr. BUTLER. You gentlemen of the committee are very familiar with these things. What is a MO4 contract?

Mr. EDMONDS. A contract where the agent takes the boat and gets a commission for handling the boat and also gets a commission for getting freight to the boat, and if the boats goes out half full, the Government pays the bill, because the agent has no interest as to whether the boat has a full cargo or not. If two years from now the Government wishes to extend this privilege, it can do so. Mr. Chairman, I move that all debate on this section and the amendments thereto be now closed.

Mr. BANKHEAD. I hope the gentleman will not insist on that. I have a substitute that I want to offer for the whole section.

Mr. EDMONDS. My motion does not prevent the gentleman from offering amendments. It simply closes debate on the amendments.

Mr. BANKHEAD. I hope the gentleman will allow a little debate.

Mr. EDMONDS. Then, Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes, 5 minutes on one side and 5 minutes on the other.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and all amendments thereto close in 10 minutes.

The question being taken, the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BRIGGS].

The question being taken, the amendment was rejected.

Mr. BANKHEAD. Mr. Chairman, I offer a substitute for the section.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Page 3, line 6, after the word "further," strike out all to and including the word "services" on line 6, page 4, and insert in lieu thereof the following:

"It is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine. In pursuance of this policy the provisions of section 7 of the merchant marine act 1920 are specifically reaffirmed, and the board is directed in the development of its sales policy to continue as far as possible all existing steamship routes and regular services and to retain them in the hands of persons that have the support, financial and otherwise, of the domestic communities primarily interested in such routes, and every effort shall be made to organize or enlarge local companies to purchase or operate vessels in these routes. If in the judgment of the board at the expiration of five years from the coming into force of this act vessels of the board can not be sold to persons that have the support, financial and otherwise, of the domestic communities primarily interested in such routes to maintain such routes and services, the board may transfer such routes and services to such other persons, citizens of the United States of America, who can and will purchase vessels and continue the operation of such routes and services."

Mr. BANKHEAD. Mr. Chairman, this substitute presents fairly and squarely the deliberate attitude of the great commercial organizations of the Mississippi Valley and of the Gulf and South Atlantic ports as presented to our committee in the hearings in the month of May. So anxious were these gentlemen to undertake to avoid the existence of a monopoly in shipping on the Atlantic seaboard, to the detriment of their business interests in failing to provide adequate export shipping facilities, that Mr. Malcolm Stewart and Mr. Matthew Hale, as representatives of these two great sections of the country, came before our committee and presented this formal amendment, and both of them stated upon cross-examination by me that if the provisions of this amendment were not incorporated in the pending bill they could not give support to the measure.

The gentleman from Illinois [Mr. CHINDBLOM] has referred to a letter written in June by Mr. Malcolm Stewart. I do not know what particular pressure was brought to bear on Mr. Malcolm Stewart with reference to this matter, if any; but I can not understand why in the short lapse of time from May until some time in June the fundamental arguments upon which Mr. Stewart based his claim before our committee and the facts upon which they were based could have been changed. I hold in my hand here a letter addressed to Judge DAVIS, dated November 20, 1922, from Mr. Malcolm Stewart, in which this expression occurs:

The Middle West is discriminated against very greatly in ocean freight rates when shipping out of any other seaport except the North Atlantic for business destined to United Kingdom, continental Europe, and Mediterranean ports. We can render great assistance to the American merchant marine and at the same time secure for ourselves fair and equitable freight rates out of all our seaports if we act together and join our forces in demanding what is essential for our best interest.

These gentlemen asserted to us and their argument was when they appeared before the committee—and it is as sound now as it was then—that it would be impossible within the limited period of two years as provided by the bill for the

interest of the great Mississippi Valley, the South Atlantic, and the Gulf ports to build up a sufficient interest of maritime affairs to get citizens to invest in private ownership in the necessary trade routes. He asserts that it is a discrimination against the Middle West in requiring her freight to be exported from the Atlantic seaboard.

That issue is fairly presented by this amendment. We propose a period of five years if necessary in order to maintain and establish the routes now in existence by action of the Shipping Board, and in order to give a reasonable time in which domestic communities interested may build up an interest in shipping affairs so as to extend and invest their means in this enterprise.

Mr. SNELL. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. SNELL. Is not the effect of the gentleman's amendment the same as that offered by the gentleman from Texas [Mr. BRIGGS], extending for a longer period the inefficient Government ownership and the operation of these ships?

Mr. BANKHEAD. The effect of it as far as the time is the same, but there are other benefits proposed in my amendment which were not incorporated in the amendment of the gentleman from Texas. The gentleman has asked the question, and I want to say, as I undertook to argue in the speech that I made in general debate, that a great deal of this expense can be saved by abolishing the MO4 contracts for the operation of vessels under the Shipping Board and substituting therefor direct operation by the Government under competent shipping men.

Mr. LEHLBACH. Mr. Chairman, in the language of the act sought to be stricken out by the gentleman will be found the following in line 21. This is what they propose to strike out and then insert substantially the same language in another place to authorize the continuance of the Government operation of these vessels:

It is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine, and in pursuance of this policy the board is directed, in the development of its sales policy, to continue as far as possible and practicable, subject to the provisions of this section, all existing steamship routes and regular services, and to endeavor in every way to bring about the permanent establishment of such routes and services, and their retention, as far as possible, in the hands of persons having the support, financial and otherwise, of the domestic communities primarily interested in such routes and services.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. LEHLBACH. No; I have not said anything yet.

Mr. BANKHEAD. I agree with the gentleman. [Laughter.]

Mr. LEHLBACH. I merely read what is in the bill and what the gentleman wishes to strike out. It is the unanimous desire of those who are proponents of the legislation to have the existing service in all sections of the country continued; to protect the sections by selling boats in all parts and sections of the country to be operated by private persons by private capital. In order to insure what the law directs, that preference in the sale of these ships must be given to citizens of a community that are to be served by them, no sales to anybody but those citizens can be made for two years after the enactment of the law. But what we want to do is to sell the ships to private owners. The gentleman wants the Government to hold the ships and continue to operate them for five years. It is only another way to seek to continue the Government ownership and prevent their being put into private hands.

The CHAIRMAN (Mr. Fess). The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. BANKHEAD) there were 52 ayes and 82 noes.

So the amendment was rejected.

The Clerk continued with the reading of the bill, as follows:

#### INSURANCE.

SEC. 3. Section 9 of the merchant marine act, 1920, is amended to read as follows:

"SEC. 9. That if the terms and conditions of any sale of a vessel made under the provisions of this act include deferred payments of the purchase price, the board shall require, as a part of such terms and conditions, in order to protect and secure the equity of the United States for such unpaid purchase money, that the purchaser of the vessel and his successor in title shall keep the same insured (a) against loss or damage by fire, and against marine risks and disasters, and war and other risks if the board so specifies, with such insurance companies, associations or underwriters, or with the separate insurance fund to the extent authorized by section 10 of this act, and under such forms of policies, and to such an amount, as the board may prescribe or approve; and (b) by protection and indemnity insurance if the board so specifies, with such insurance companies, associations or underwriters, or with the separate insurance fund to the extent authorized by section 10 of this act, and under such forms of policies, and to such an amount as the board may prescribe or approve. The insurance required to be carried under this section shall be made payable to the board and/or to the parties as interest may appear. The board is authorized to enter into any agreement that it deems wise in respect to the payment and/or the guarantee of premiums of insurance."



Mr. GRAHAM of Illinois. Mr. Chairman, I move to strike out the last word, in order to ask the chairman a question. Why is it that they use here two conjunctives "and, or" at the end of line 10?

Mr. EDMONDS. Because it is the usual language in insurance matters. All charters and marine policies contain it. I have no objection to the gentleman taking out either one or the other. It is admiralty language and insurance language, and I can see no objection to leaving it in. It is perfectly well understood in legal circles.

Mr. GRAHAM of Illinois. It is funny language.

Mr. EDMONDS. It may look funny to the gentleman, but it is the usual language in admiralty and insurance matters.

Mr. GRAHAM of Illinois. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

Sec. 5. Section 11 of the merchant marine act, 1920, is amended to read as follows:

"Sec. 11. (a) That there is hereby established in the Treasury a revolving fund to be known as the 'United States Shipping Board construction loan fund' (hereinafter in this section called the 'loan fund'). There shall be covered into the loan fund all moneys which at the time of the enactment of the merchant marine act, 1922, are in the fund created by this section as in force before its amendment by such act; and the board may set aside and cover into the loan fund all receipts of the board, except appropriations made by law and profits of the board from the operation of vessels; but the total amount of moneys covered into the loan fund (other than payments upon the principal and interest upon loans made therefrom) shall not exceed \$125,000,000.

"(b) The board may use the loan fund, to such extent as it deems necessary, for making loans to aid persons, citizens of the United States, (1) in the construction by them in private shipyards of the United States of vessels of the best and most efficient type equipped with the most efficient and the most economical machinery and commercial appliances, or (2) in the equipping by them of vessels already built with such machinery and commercial appliances.

"(c) No loan shall be made for a longer time than 15 years. All loans shall bear interest, payable at least annually, upon the unpaid principal at a rate not less than 2 per cent per annum. No loan shall be made, (1) in the case of a loan for construction purposes, for a greater sum than two-thirds of the cost of the vessel to be constructed; nor, (2) in the case of a loan for equipment purposes, for a greater sum than two-thirds of the cost of the equipment or two-thirds of the value of the vessel when thus reequipped, whichever is the lesser. The board shall require such security for the loan, including a first lien upon the entire interest in the vessel with reference to which the loan is made, as it deems necessary in order to insure the repayment of the loan with interest. In case of a loan under this section made after the enactment of the merchant marine act, 1922, all payments upon the principal and interest of the loan shall be covered into the loan fund."

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 7, line 12, after the word "than," strike out the figure "2" and insert in lieu thereof "43."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the further amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 7, line 10, after the word "than," strike out "15 years" and insert in lieu thereof the following: "a period within 15 years after the date of the enactment of this measure. This entire loan fund, including the interest collected thereon, shall be covered into the General Treasury of the United States within 16 years after the enactment of this measure."

Mr. DAVIS of Tennessee. Mr. Chairman, it is contended by the opponents of this bill that it is permanent legislation, that it is intended to be, and that that will so result. While some of the proponents of the bill have argued that it is only a temporary proposition, yet that is an issue which this amendment will put to the test. The bill as now written authorizes a revolving fund of \$125,000,000, which may be loaned to any individual or corporation for a period of 15 years at a time. It may be loaned and reloaned. There is no time limitation whatever upon the fund under the provisions of the bill as they now exist. My amendment, if adopted, would limit the authorization for these loans for a period of 15 years from the date of the passage of the bill and provide that within 16 years after the passage of the bill the entire fund shall be covered into the General Treasury. That gives a year after the expiration of any loan which may have been made within which the Shipping Board or other authorities may collect the loans and pay them into the General Treasury. If this is a temporary proposition, if it is not intended to make these loans for a longer period than 15 years, this amendment should be adopted. If it is the purpose to continue loaning and reloaning for an indefinite period of time, we should know it, and we will determine what the purpose of the majority is by the vote on this amendment.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. MOORE of Virginia. I want to know, and that is the reason for my question, how much of the \$125,000,000 is to be taken out at once? Therefore I ask the question whether the gentleman can give me some idea as to what moneys at this time are available, as provided in this section?

Mr. DAVIS of Tennessee. The Jones bill, enacted in 1920, provided that \$25,000,000 should be set aside for loans out of the sales of ships, and so forth, the receipts of the Shipping Board. This bill provides that the accrued amounts, and also up to an amount of \$125,000,000, shall be paid into this fund, and they can obtain additional funds from the sale of ships or any securities or other properties belonging to the Shipping Board.

Mr. MOORE of Virginia. The language of the bill is:

There shall be covered into the loan fund all moneys which at the time of the enactment of the merchant marine act, 1922, are in the fund created by this section as in force before its amendment by such act.

What amount of that character is now in hand?

Mr. DAVIS of Tennessee. I do not know, and you can not get anything out of the Shipping Board. That is within their keeping. I can not answer the question.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the last word. Can the gentleman from Pennsylvania [Mr. EDMONDS] give us some idea as to about what amount is now in hand that would go toward the creation of the total fund of \$125,000,000?

Mr. EDMONDS. As near as I can find out there is very little money in the Treasury now.

Mr. MOORE of Virginia. Then it means that \$125,000,000 is to be segregated from the Treasury at once?

Mr. EDMONDS. If they can not sell \$125,000,000 worth of ships they can not get it out of the Treasury in any other way.

Mr. DAVIS of Tennessee. It is the fact that they have other securities and property which they can sell and use for this purpose.

Mr. EDMONDS. They can use any property they have to create the fund. As I understand the matter, the Shipping Board has been selling some property, and there was a certain amount of that money set aside by the Committee on Appropriations for the payment of claims. These claims have been rapidly cleaned up, and it is just possible there may be a little money in the Treasury to-day; but I doubt very much whether it will be held subject to this particular fund, although in the Jones Act we had arranged for a fund of that character—up to \$125,000,000 a year for five years.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 29, noes 71.

So the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I move that all debate upon the section and all amendments thereto be now closed.

Mr. MOORE of Virginia. Mr. Chairman, will not the gentleman allow us a few minutes debate? I shall move to strike out the section in order to make one or two observations.

Mr. MONDELL. On this section?

Mr. MOORE of Virginia. Yes.

Mr. MONDELL. How much time does the gentleman desire?

Mr. MOORE of Virginia. Of course, I shall claim only five minutes.

Mr. MONDELL. Mr. Chairman, I modify my motion that debate close in 10 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Wyoming that all debate upon this section and all amendments thereto close in 10 minutes.

The motion was agreed to.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Amendment by Mr. MOORE of Virginia: Strike out all of section 5.

Mr. MOORE of Virginia. Mr. Chairman, the purpose of the section is to create a fund to be used in the construction of vessels at private yards, to assist in their construction. The amount mentioned, as just indicated, is \$125,000,000, which is to constitute a revolving fund. The Jones Act contains a provision somewhat similar to this, but limits the amount to a



total of \$125,000,000 to be used at the rate of \$25,000,000 a year, and makes certain provisions that were very carefully considered at the time that statute was enacted. It seems to me that the Jones Act goes quite far enough in appropriating money, however to be derived, which is the money of the public, for the purpose of assisting in the construction of new vessels. If the bill as it stands is passed, it will require not the using of \$25,000,000 a year, which is somewhat leisurely, but the use of \$125,000,000 as soon as it can be gotten in by the Shipping Board from the sale of vessels, from the collection of claims, and otherwise.

It strikes me that is going pretty far and pretty fast, particularly in view of the fact, as is well known, that the Treasury is not in a very fortunate condition at this time. The Government is facing a deficit; it faces an accrued deficit and it faces a constantly accruing deficit. Only this morning the statement was published that for the last fiscal year the revenue is \$1,400,000,000 less than the preceding fiscal year. Now, if the distinguished chairman of the Committee on Appropriations is here—I do not know whether he is here or not—I would like to know if he gives his indorsement to the pending proposition. The other day one of the prime reasons given for the enactment of this measure is that it would enable the Government to get ready for possible war; that is to say, a large amount of money is to be spent in building ships which will be of assistance in case of an emergency—\$125,000,000. Now, it is a very curious thing that almost at the time when we propose to do this we have provided for scrapping war vessels. We are to scrap war vessels, assuming that the treaty is going to be ratified by Italy and France, to the extent of several hundreds of millions of dollars—no one states even approximately how much—and in addition from \$70,000,000 to \$150,000,000 is to be spent to make good damages to contractors sustained because of the cessation of work upon Government vessels. That is a strange situation. On the one hand, declaring that we think there is little fear of war, we are prepared to scrap property that is worth hundreds of millions of dollars and besides pay large damages, and on the other hand in order to get ready for war, which is one of the main purposes of this bill, we are going to put the Government in business to the extent of assisting in the construction of new vessels.

Mr. EDMONDS. Mr. Chairman, again I must call the attention of the committee to the consistency of gentlemen on the other side. The gentleman gets up and proposes to strike out this section. It leaves the section in the Jones bill in existence. There is no limit of interest to be charged by the Shipping Board. There is no arrangement of a 15-year loan. The Shipping Board can loan out that money, \$125,000,000, \$25,000,000 a year for five years. The committee thought the proper thing to do was to put some limitation on the power of the Shipping Board. Gentlemen on the other side have been complaining all morning that we give the Shipping Board too much power, and now they want to give more. There is only one difference, and that is in regard to encouraging the placing of Diesel engines on ships that they will build and equip them with new and improved machinery.

Mr. FREAR. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. FREAR. How much money is placed in the revolving fund under the Jones bill?

Mr. EDMONDS. \$25,000,000 a year for five years.

Mr. FREAR. How much is there at the present time?

Mr. EDMONDS. I do not know; I do not imagine very much.

Mr. FREAR. This bill provides \$125,000,000.

Mr. EDMONDS. Just exactly the same sum of money as was placed in the Jones bill.

Mr. FREAR. Does not the gentleman think he should place certain restrictions upon the expenditure of such an enormous sum of money?

Mr. EDMONDS. That is what we do; we have put restrictions, but the gentleman wants the Shipping Board left open to do as they please.

Mr. FREAR. I do not want it.

Mr. MOORE of Virginia. Nobody objects to putting the restrictions on the way in which the fund is to be handled. My objection was on the use of the \$125,000,000; that is the central objection I respectfully urge upon the chairman.

Mr. EDMONDS. The gentleman wants restrictions and does not want restrictions; I do not know how to please him.

Mr. WHITE of Maine. That is a limitation rather than an enlargement of the Jones Act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

Mr. JONES of Texas. Mr. Chairman, I have a perfecting amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES of Texas: Page 7, line 22, after the word "interest," insert the following: "and the board shall require annual payments on the principal of any loan in amounts sufficient to cover not less than the depreciation of the vessel up to the time of any such payment."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the motion of the gentleman from Virginia to strike out the section.

The question was taken, and the amendment was rejected.

The Clerk began reading.

During the reading—

Mr. BLANTON. Will the Chair permit a parliamentary inquiry?

The CHAIRMAN. The gentleman can not interrupt the reading.

Mr. BLANTON. The reading will go along until the entire bill is read under the ruling of the Chair?

The CHAIRMAN. Only the section which the Clerk is now reading.

The Clerk read as follows:

SEC. 6. (a) Section 24 of the merchant marine act, 1920, is amended to read as follows:

"SEC. 24. That all mails of the United States shipped or carried on vessels shall, if practicable, be shipped or carried on American-built vessels documented under the laws of the United States. No contract hereafter made with the Postmaster General for carrying mails on vessels so built and documented shall be assigned or sublet, and no mails covered by such contract shall be carried on any vessel not so built and documented. No money shall be paid out of the Treasury of the United States on or in relation to any such contract for carrying mails on vessels so built and documented when such contract has been assigned or sublet or when mails covered by such contract are in violation of the terms thereof carried on any vessel not so built and documented."

(b) Section 7 of the merchant marine act, 1920, is amended by striking out so much thereof as reads as follows: "The Postmaster General is authorized, notwithstanding the act entitled 'An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce,' approved March 3, 1891, to contract for the carrying of the mails over such lines at such price as may be agreed upon by the board and the Postmaster General."

(c) The act entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," approved March 3, 1891, is repealed.

#### TITLE II.—TAXATION.

##### INCOME TAX OF VESSEL OWNERS.

SEC. 201. Title II of the revenue act of 1921 is amended by adding at the end thereof seven new sections to read as follows:

##### "EXEMPTIONS TO VESSEL OWNERS.

"SEC. 265. (a) That the owner of a vessel of 1,500 gross tons or more (as shown on her certificate of admeasurement), registered, or enrolled and licensed, under the laws of the United States, shall, for the taxable year 1921 and for each of the eight taxable years following, be allowed as a deduction in computing net income, in addition to other deductions allowed by law, an amount which bears the same ratio to his net income during the taxable year attributable to the operations of such vessel (computed without the benefit of this section) as his gross income attributable to the foreign operations of such vessel bears to his entire gross income attributable to the operations of such vessel: *Provided*, That in no case shall the amount by which the taxes imposed by this act are diminished by reason of such deduction, exceed 50 per cent of the amount certified under clause (1) of subdivision (b) of this section, plus 100 per cent of the amount certified under clause (2) of subdivision (b) of this section.

"(b) Such deduction shall not be allowed unless the United States Shipping Board (hereinafter in this title referred to as the 'board') has certified to the commissioner (1) the amount invested by the taxpayer, after the beginning of the taxable year for which the deduction is claimed and prior to the time fixed by law for filing the return, in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered, or enrolled and licensed, under the laws of the United States, and (2) the amount set aside by the taxpayer after the beginning of the taxable year for which the deduction is claimed and prior to the time fixed by law for filing the return, in a trust fund for investment in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered, or enrolled and licensed, under the laws of the United States.

"(c) As soon as practicable after the filing of the return for the taxable year for which the deduction is claimed, the amount by which the taxes imposed by this act are diminished by reason of the deduction allowed under subdivision (a) of this section shall be determined by the commissioner with the approval of the Secretary and certified by the latter to the board. The commissioner shall notify the taxpayer, who may immediately withdraw from such trust fund the amount, if any, by which the amount set aside in such trust funds exceeds the amount which should have been so set aside, together with the ratable part of the interest on or earnings from such trust fund since the date of its establishment.

"(d) For the purposes of this section there shall be deemed attributable to the foreign operations of a vessel so much of the gross income attributable to the operations of such vessel as is attributable to the carriage of passengers, cargo, and mails taken on board at a port not in the coastwise trade and discharged at a port whether or not in the coastwise trade, or taken on board at a port whether or not in the coastwise trade and discharged at a port not in the coastwise trade. If the owner of the vessel uses it in whole or in part for the transportation of his own property, his gross income attributable to the opera-



tions of the vessel in transporting such property shall be considered to be such amount as is determined by the board, and certified by it to the commissioner, as representing the fair value of the services performed by the vessel in transporting such property.

"(e) In no case shall the amount by which the tax due from a taxpayer, other than a corporation, is diminished by reason of the deduction allowed by this section, exceed the amount by which the tax would have been diminished if such taxpayer were a corporation.

"(f) That portion of the amount of invested capital attributable to the vessel which bears the same ratio to such invested capital as the amount allowed as a deduction under the provisions of this section bears to the amount of the entire net income for the taxable year attributable to the operations of such vessel (computed without the benefit of this section) shall be regarded as an inadmissible asset in computing the tax imposed by Title III of this act.

"Sec. 266. (a) That in the case of the sale, during the taxable year 1921 or any of the eight taxable years following, of a vessel launched prior to January 1, 1914, which was at the time of the enactment of the merchant marine act, 1922, registered, enrolled, or licensed, under the laws of the United States, and which at no time thereafter, up to the time of sale, was under a foreign registry or flag (or, in case of sale made prior to the enactment of such act, was at the time of the sale registered, enrolled, or licensed under the laws of the United States), the taxable gain derived from the sale shall be allowed as a deduction (in addition to other deductions allowed by law) in computing the net income of the owner, if he is a citizen of the United States within the meaning of the shipping act, 1916, as amended by the merchant marine act, 1920. Except as provided in subdivision (b) this deduction shall not be allowed unless (after the beginning of the taxable year for which the deduction is claimed and prior to the time fixed by law for filing the return) the entire proceeds of the sale have been invested by the taxpayer, or set aside by him in a trust fund for investment, in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered, or enrolled and licensed, under the laws of the United States.

"(b) If a part only of the proceeds of the sale has been so invested or set aside in a trust fund the amount of the deduction allowed under subdivision (a) shall be an amount which bears the same ratio to the taxable gain derived from the sale as the part of the proceeds so invested or set aside in a trust fund bears to the entire proceeds of the sale.

"(c) Upon the completion of the new vessel or vessels they shall, for the purposes of sections 202, 214, and 234, be treated as taking the place of a like proportion of the vessel sold.

"(d) Where a vessel is exchanged for property, or for money and property, the transaction shall, for the purposes of this section, be deemed to be a sale with reference to (1) the money received in the exchange, and (2) that part of the property received in the exchange which, under the provisions of subdivisions (c) and (e) of section 202, is considered in determining the taxable gain from the exchange.

"Sec. 267. (a) That if a taxpayer establishes a trust fund for investment under the provisions of section 265 or 266, the amount so set aside under section 266, or an amount equal to 200 per cent of the amount set aside under section 265, as the case may be, shall be actually invested by the taxpayer, within a reasonable time, to be determined by the board, in the building in private shipyards in the United States of new vessels of a type and kind approved by the board, to be registered or enrolled and licensed under the laws of the United States. Upon failure to invest all or any part of such amount within the reasonable time fixed by the board, or upon failure to register or enroll and license, the new vessel or vessels under the laws of the United States within a reasonable time fixed by the board, the board shall immediately notify the commissioner, and (1) the amount which should have been invested under the provisions of section 266 and this section which is not so invested, or the amount invested in a vessel or vessels not registered or enrolled and licensed under the laws of the United States, shall be deemed, for the purposes of section 266, to have never been set aside in a trust fund for investment, and (2) 50 per cent of the amount which should have been invested under the provisions of section 265 and this section which is not so invested, or 50 per cent of the amount invested in a vessel or vessels not registered or enrolled and licensed under the laws of the United States, shall be deemed, for the purposes of section 265, to have never been set aside in a trust fund for investment. Any additional tax due by reason of this adjustment of the amount set aside in the trust fund for investment under sections 265 and 266, together with interest thereon at the rate of one-half of 1 per cent per month from the time the tax was due, shall be payable upon demand at any time, notwithstanding the provisions of section 250. The amount in the trust fund shall be first applied in payment of such additional tax due, and the instrument creating the trust fund shall provide for such application.

"(b) Whenever the taxpayer establishes a trust fund for investment under the provisions of section 265 or 266, the interest on or earnings from the amount set aside in such fund shall belong to the fund, and, for the purposes of subdivision (a) of this section, shall be considered as being a part of the amount set aside in the fund.

"Sec. 268. That the commissioner may require a taxpayer, who claims the benefit of the deduction allowed by section 265 or 266 and establishes a trust fund for investment, to furnish a bond with such security or surety as the commissioner shall require, for an amount not less than the difference between (1) the estimated income, war-profits and excess-profits taxes that would have been payable but for the deduction claimed under those sections, and (2) the estimated income, war-profits and excess-profits taxes that would be payable if such deduction were allowed. Such bond shall be conditioned upon (a) the investment of the fund in accordance with the provisions of section 267, or the payment of the tax, together with interest, due by reason of failure to so invest, and (b) the registering, or enrolling and licensing, of the new vessels under the laws of the United States within the time fixed by the board.

"Sec. 269. (a) That the amount invested under the provisions of sections 265, 266, or 267, or set aside in a trust fund for investment under the provisions of sections 265 or 266, must be from funds other than any loan which the taxpayer may have received from the board under the provisions of section 11 of the merchant marine act, 1920, as amended by the merchant marine act, 1922.

"(b) So much of sections 265 and 266 as requires that the investment, or the setting aside of an amount in a trust fund for investment, shall be made prior to the time fixed by law for filing the return for the taxable year for which the deduction is claimed, shall be deemed complied with by a taxpayer with respect to the deduction for a taxable year ending prior to the time of the enactment of the merchant

marine act, 1922, if he makes such investment, or sets aside such amount in a trust fund, within 75 days after the enactment of such act.

"Sec. 270. That section 265 and section 266 shall be deemed to have been in force on January 1, 1921.

"Sec. 271. That the benefits of section 265 and section 266 shall be allowed to the members of a partnership and the beneficiaries of an estate or trust under regulations prescribed by the commissioner, with the approval of the Secretary."

Mr. DAVIS of Tennessee. That concludes the reading of the section?

The CHAIRMAN. It does.

Mr. DAVIS of Tennessee. I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 11, lines 16 to 22, after the word "trade" strike out "If the owner of the vessel uses it in whole or in part for the transportation of his own property his gross income attributable to the operations of the vessel in transporting such property shall be considered to be such amount as is determined by the board, and certified by it to the commissioner, as representing the fair value of the services performed by the vessel in transporting such property."

Mr. DAVIS of Tennessee. Mr. Chairman, this amendment simply points out the fact that these tax exemptions are extended to those lines, like those of the Standard Oil and the United States Steel and various other lines, that are operating ships in conveying their own products, and not as common carriers; and this motion proposes to strike out that portion recognizing that they are entitled to those tax exemptions.

Mr. SEARS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. WHITE of Maine. Mr. Chairman, as to the amendment proposed by the gentleman from Tennessee [Mr. DAVIS], I do not think it accomplishes, in the first place, the thing he desires; and in the second place, I do not think the thing he desires to accomplish ought to be accomplished.

This simply lays down for the guidance of the Secretary of the Treasury a rule for putting into effect what appears in other portions of the bill. If you strike it out, it does not destroy the substantial proposition at all, but it leaves the Secretary of the Treasury suspended in the air without any rule for his guidance except as may be otherwise provided in the bill.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. HARDY of Texas rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. HARDY of Texas. To submit a few observations on the amendment. I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. HARDY of Texas. I wish to call attention to the additional fact, not mentioned by my colleague from Tennessee [Mr. DAVIS], that this paragraph evidences the fact that those who own their own transportation facilities, like the Standard Oil and the Steel Trust and the United Fruit Co., are exempted from paying any income tax on the reasonable earnings of their shipping when engaged in carrying their own products, and it also exemplifies the fact that while exempted from taxation they are given a subsidy by the Government of the United States under this bill. It seems to me it all ought to go out.

Mr. EDMONDS. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last two words.

Mr. EDMONDS. This proposal to strike out has nothing to do with the payment of a subsidy to industrial ships. It simply establishes a method by which the Treasury Department can make the deductions in taxes authorized by this House and the Senate under the Jones bill.

Now, what happens here? Under the Jones bill if a man owns a ship he could take from his income tax a certain sum of money, and by doubling the amount of money and putting it into new ship property get an exemption of taxes. There is no exemption of taxes here except for the purposes of building new ships. If he does not build new ships, he does not get the exemption. We all know that. In another case a man may have a ship worth, say, \$600,000, and he sells it for \$1,000,000. He would be entitled for taxation purposes to count up a profit of \$400,000. What are you doing here? You simply say to him, "If you take that whole \$1,000,000, the \$600,000 of the original cost and the \$400,000 profit, and put



it in another ship for \$1,000,000 we will not charge you any taxes on the \$400,000 profit."

As I said this morning, when the proper time comes I am going to offer an amendment in the proper place that will take industrial ships out from the subsidy.

Mr. DAVIS of Tennessee. But the gentleman will concede that this does exempt the Standard Oil and the United States Steel and the United Fruit Co. from the payment of income taxes, provided they would certify that they had invested their income in the purchase of other ships. If this provision is not knocked out they will be entitled to that.

Mr. EDMONDS. Yes. But I do not understand the gentleman's position at all. The Standard Oil Co. is not charged with being discreditable or disgraceful in this country.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. MONDELL. Under the amendment which the gentleman proposes to offer later the Standard Oil tankers would not secure the benefit of the subsidy?

Mr. EDMONDS. No.

Mr. MONDELL. On the other hand, the provision which the gentleman from Tennessee [Mr. DAVIS] now proposes to strike out has no relation whatever to that affair or to that condition of affairs?

Mr. EDMONDS. Absolutely none whatever.

Mr. MONDELL. It simply provides that where there is a ship receiving a certain amount of compensation, as some ship will that may carry some of the products of its owners, the Treasury shall have a method of computation, and this is simply a method of computation?

Mr. EDMONDS. That is all. It is simply to carry out what has been the express decision of the House on the subject.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. BLANTON. It is said that the tankers of the Standard Oil Co. will not get the subsidy. The gentleman knows that there is a greater demand for tankers than for any other class of vessels just now. What is there to prevent the Standard Oil from selling its tankers where there is a demand and building new tankers that would come under the provisions of this bill? They would in that case get the subsidy for carrying the oil in their own tankers?

Mr. EDMONDS. Simple business sense would prevent their doing that.

Mr. BLANTON. If they sold the tankers, as they could, they could borrow from the Government at less per cent than it costs us and build new tankers.

Mr. EDMONDS. No; we changed that to 4½ per cent.

Mr. WHITE of Maine. And they can not do that without the consent of the Shipping Board, anyhow.

Mr. FREAR. Since this question of subsidy has been presented, what does the gentleman mean by "subsidy"? Does that run to tax funds?

Mr. EDMONDS. No.

Mr. FREAR. Are the Standard Oil and the United States Steel exempt from the deductions?

Mr. EDMONDS. They will not get yours or mine.

Mr. FREAR. But as they own two-thirds of the vessels, they will get two-thirds of all the profits?

Mr. EDMONDS. Yes; providing they use them for building new ships and put an equal amount of money with the exemption.

Mr. FREAR. Sales and all these other questions are involved?

Mr. EDMONDS. Yes. That is in the Jones Act that the gentleman voted for.

Mr. FREAR. Yes; I voted for the Jones Act, but I did not know what was in it, and two-thirds of the Members were in the same position.

Mr. TINCHER. Mr. Chairman, as I understand, the gentleman from Pennsylvania proposes to offer an amendment to do away with the subsidy provided for in another section for industrial ships. Am I correct in the assumption that this section to which the amendment has been offered is a form of subsidy offered to industrial ships as well as others?

Mr. EDMONDS. To all ships. Will the gentleman allow me to say a word?

Mr. TINCHER. I will yield.

Mr. EDMONDS. It is my opinion that they may not want to set the money aside to build the ships. It may be possible that they may say that they do not want any more ships at this time.

Mr. TINCHER. The point I am making is: Does the gentleman think it is fair to strike out the subsidy for a class in one

section and still let that class have the benefit of a distinct subsidy in another section?

Mr. EDMONDS. This is not a subsidy.

Mr. TINCHER. Does not the gentleman think that if you exempt people from the payment of an income tax that that is a subsidy?

Mr. FREAR. Let me ask the gentleman how many millions of dollars will this take—how much is it estimated it will cost?

Mr. EDMONDS. It would depend upon how many wanted to build new ships. That would be very indefinite. I do not think the Treasury Department or anybody else can give any estimate that would be worth anything.

Mr. TINCHER. The gentleman has made some calculation, I suppose; which does the gentleman think would amount to the most, the subsidy provided in this section or the direct subsidy?

Mr. EDMONDS. If they used all the compensation they are allowed for ships and used all the ships I should say the subsidy would be the greater amount. I assume that the compensation would amount to the greater sum.

Mr. TINCHER. Is there any way of arriving at it?

Mr. EDMONDS. I think there is no question but that the compensation would amount to the greater sum.

Mr. DAVIS of Tennessee. How does the gentleman know it when not a single representative of the Shipping Board would say how much this tax exemption, or any tax exemption, would impose as a burden upon the Public Treasury?

Mr. EDMONDS. Oh, nobody knows; there is nothing to show in any way how to compute it. Suppose the Standard Oil Co. says, "We do not want any more ships; we have more than we want." Then they pay their taxes and do not take any tax exemption.

Mr. TINCHER. Is there any difference in principle between authorizing a subsidy to be paid in cash to an industrial ship or a subsidy in the way of a rebate in taxes to the ships engaged in their own interests; is there any difference in principle?

Mr. WHITE of Maine. There is this difference, that in the case of the subsidy the money is a direct payment by the United States Treasury. In this case it may be that the Standard Oil Co. will not want to construct any new vessels.

Mr. TINCHER. Is it not true that a subsidy paid directly out of the Treasury is more American than a rebate graft?

Mr. FREAR. Both of them come out of the Treasury.

Mr. STEVENSON. Mr. Chairman, it seems to me that the gentleman from Kansas has thrown a good deal of light on this proposition. As I gather from the statement of the gentleman from Pennsylvania, if any concern is in the shipping business and it is profitable and they want to build more ships, then it will set aside a fund and avoid its income tax and thereby build for a more profitable business. If it is not profitable, it will pay the tax and quit.

Let us look at it from the standpoint of the farmer. The President said he was in favor of helping out the farmers right away. Now, take a farmer who makes a good deal of money—I know that is a rash proposition, but he sometimes does—give him the same privilege and he will say, All right; I will set aside \$10,000 and buy another farm and produce more farming products; but you must exempt me from taxation on the money invested if I am going to get another farm and run it." That is the same proposition you are putting up here. If a man wants to take the money, if he is doing a profitable business, we will exempt him from taxation provided he will invest it in another concern and will continue to make more money. It is a premium offered to the man who wants to avoid taxation by making more money for himself. The President stated that he wanted to take care of the farmers. I would like to see you take care of the farmer who would like a little more himself. We passed a bill last May putting a farmer on the reserve board which is to fix the financial policy of this year. Now, it has been eight or nine months since that was agitated and we have not got that relief for the farmers. It was stated by Secretary Mellon that on the assembling of the extraordinary session that matter would be acted upon by President Harding by appointing Mr. J. R. Howard, the only farmer who has come out in favor of this bill and who has been repudiated by every farm organization in this country.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. CONNALLY of Texas. The gentleman is trying to propose an indirect method of helping the farmer. Would not the people of the United States be better off if they subsidized directly the woolgrower instead of the manufacturers, with the tremendous indirect subsidy in the tariff law?



Mr. STEVENSON. Perhaps they would, so far as that is concerned. But I want to call attention specifically in this matter to the statement of the gentleman from Pennsylvania, that if the shipowner is making money and wants more ships the Government will give him his income tax if his business is profitable with which to build it. If the farmer is making money and wants another farm they will not give him money, but they take his income tax, and he will have to go and borrow money at 7 or 8 per cent where you propose to loan to the shipowner at 4½ per cent.

Mr. HARDY of Texas. These concerns can utilize their wealth or a portion of it in rebuilding such ships as necessary to reinforce their fleets, and every dollar they put into a fleet is an increase of wealth without taxation.

Mr. STEVENSON. I call attention to the fact that since this bill has been pending the Standard Oil companies have declared and announced their intention of declaring stock dividends amounting to \$1,338,000,000, which they have built up in the last 11 years since the old Standard Oil Co. was divided up into 33 different companies.

Mr. FREAR. That is in addition to the cash dividends.

Mr. STEVENSON. In addition to cash dividends which have been at the rate of 20 per cent per annum. In giving out a statement of their policy to the New York papers on the 6th day of October, 1922, they made this statement:

The killing of the bonus bill caused several plans of recapitalization to come before the directors of the Standard Oil companies. It had been feared that the bonus legislation might have included provisions unfavorable to Standard Oil plans. The chief fear was that the Government might take steps to tax stock dividends.

Therefore they did not declare them, because they were afraid the soldiers would get something out of them. Now they propose to hand out these stock dividends to their stockholders.

It is not surprising that the Standard Oil and kindred enterprises have found a warm friendship in the financial legislation of this Congress, when we remember that of the 17 Republican members of the Ways and Means Committee 11 were millionaires, most of them multimillionaires, as was stated by Hon. Frank R. Reid, Member elect of the eleventh Illinois district, and a Republican, in an interview given out last summer and placed in the CONGRESSIONAL RECORD by myself.

The performances of that committee have justified their appointment. They reduced the taxes of the millionaires \$150,000 on each million of income, thereby reducing the tax of their millionaire Secretary of the Treasury, Mr. Andrew Mellon, \$2,250,000 a year, if the statement of Mr. FREAR, of Wisconsin, is correct, that Mr. Mellon's income is around \$15,000,000 a year. The bill as originally introduced was prepared in Mr. Mellon's office and provided for the reduction of \$330,000 on each million, which would have reduced Mr. Mellon's taxes \$4,950,000 if it had been passed in that shape, and it was jammed through this House in that shape, and Mr. Mellon and President Harding both advocated its being passed that way when the bill went to conference. The same committee, in the same bill, took \$450,000,000 excess-profits tax from the corporations that make an excess-profits tax, making in these two items a reduction of \$540,000,000 in the taxes of the very rich. The excess-profits tax has been greatly misunderstood by many people. No corporation is subject to it unless it made net profits of \$3,000 and in addition to that 8 per cent on its capital stock. To give an example, a corporation of a hundred thousand dollars capital which made only \$11,000 net would not be subject to the excess-profits tax. But if it made \$50,000 net the excess over \$11,000 would be taxable as excess profits and the tax on that \$39,000 would be \$18,350, which would leave a net profit of \$31,650 on the capital of one hundred thousand. In other words, it would double its capital every three years and pay the excess-profits tax. This committee also reported a tariff bill which directly tends to destroy our American shipping. Section 313 of that bill provides that if a shipbuilder imports the materials with which to build a ship and pays tariff on them he can sell the ship to an American, but if he does he sells it with the tariff added. If he sells it to a foreigner, to wit, an Englishman, he can get back from the United States Treasury 99 per cent of the tariff paid on the material. It has been stated in the debate here—by Mr. CHANDLER of New York—that shipping material can be bought cheaper abroad than in this country, and it has generally been conceded that the average tariff will run about 40 per cent. Take a shipbuilder building a million-dollar ship, and the proportion of the ship cost which is material, if imported, would make the tariff item at least 10 per cent of the cost of the ship, or a hundred thousand dollars. Now, an Englishman comes up to buy the ship, and says, "I want it to put under the British flag." An American also comes up, and says, "I want this ship to fly the Stars and Stripes."

The shipbuilder will necessarily reply to the American, "It has cost me \$1,000,000, and I will sell it to you on that basis." To the Englishman he will say, "It has cost me a million dollars, less \$99,000 rebate which I can get from the United States Treasury if I sell it to you, and I will sell it to you on the basis of \$901,000 cost." And this bill proposes to tax the American people to assist the American shipowner to compete with the Englishman, whom it has given an advantage by its own legislation. And yet the gentleman from Pennsylvania [Mr. EDMONDS] has stated more than once that the people who oppose this bill are favoring the British. The gentleman's own party has so favored the foreigner at the expense of the home shipowner that the American shipowner has been driven off the seas. Their same tariff bill, section 466, also provides that if an American ship is repaired in a foreign port, that when the ship returns to an American port it shall pay 50 per cent tariff on the expense of such repairs, no matter how much more cheaply the repairs could be made in a foreign port. An English and an American ship are both repaired, say, in a port in Australia, have the same repair work done, at an expense of \$50,000 each. The English ship goes its way and that is the end of it. The first time the American ship reaches a home port it is assessed \$25,000 taxes, and if it fails to pay it the ship is seized and sold to pay the charges, thereby making its cost of maintenance 50 per cent more than what the Englishman's ship costs, and, under section 413 of this bill, forfeits all compensation under the provisions of this act.

There is one other provision of the tariff act which favors the very wealthy people, with whom Secretary Mellon is largely associated. Section 312 of the tariff act provides for the corporation that is engaged in reducing ores and shipping metals in any form to have their smelters declared "bonded smelting warehouses" by merely giving a bond to the Secretary of the Treasury to pay any tax due on the ores imported, and when the company exports as much metal as the ores imported should produce the tariff charge against such ores is canceled. It is charged, and I have never heard it denied, that the United States Steel Corporation has very large holdings of iron-ore lands in foreign countries, notably China. This provision will enable them to mine that ore in China with coolie labor, the cheapest in the world, to transport it to this country in their own ships, take it into their factories here without paying any tariff on it, reduce it, manufacture it, and ship it out to supply its foreign market and have all tariff charges canceled against it. What is the result of this? First, in supplying its foreign market it puts Chinese coolie labor in direct competition with the miner in the iron mines of this country. Second, it arranges for the United States Steel Corporation to be able to sell to the foreigner for probably 50 per cent less than he sells to the American; and third, it enables it to get a ship subsidy, under this bill, on the cargo both ways, which it carries for itself alone. This is certainly not taking care of America but taking care of a great financial and manufacturing trust and its foreign customers at the expense of the American miner and the American consumer.

But Mr. EDMONDS of Pennsylvania says that they propose to strike out of this bill the provision for paying a subsidy to the Standard Oil Co., the United States Steel Corporation, and the American Fruit Co., in so far as those corporations earn it by carrying their own stuff. That is a mere subterfuge to get the bill through. There are 33 Standard Oil companies. The big capitalists who own the large blocks of stock in those corporations will simply see that there is an independent ship-operating concern organized which will buy the tankers and other ships necessary to carrying the Standard Oil products, and that corporation will get the Standard Oil cargoes exclusively and charge the usual ocean rate and get the subsidy, and the money will go into the pockets of the big capitalists in the Standard Oil group just the same, but will come from another conduit, and they will be pulling down dividends from 34 concerns instead of 33, while the small stockholders' dividend will come from 33 and be reduced slightly in order to make the shipping concern dividend larger. A like scheme will be operated by the United States Steel Corporation and the American Fruit Co.

I want to notice one other result of the great corporate control of this administration. The railroads were returned to the owners thereof with a six months' guaranty put through by a Republican Congress. In that six months they claimed to have lost over \$700,000,000, which this administration has paid without question and without suggestion that an extra tax was necessary in order to finance them. The corporations engaged in supplying the Government with war materials, who are generally designated as profiteers, complained to Congress that they lost money as the result of the cancellation of



their contracts when the armistice was signed. The contracts provided for cancellation on a certain notice, which notice was duly given, and they had made multiplied millions in filling the contracts. But Congress provided for a commission to settle with these profiteers on an equitable basis, and up until last June they had settled \$1,500,000,000 of the \$3,000,000,000 claimed for \$600,000,000. And it was estimated that it would take \$600,000,000 more to settle the balance—which will make \$1,900,000,000 paid out in settling with the railroads and the profiteers for their alleged losses incident to the war without a single suggestion that it was necessary to make any special taxation to finance these things. The adjusted compensation bill of the former soldiers, which would not cost any more if every soldier took the cash and got it at once, was vetoed by President Harding with the backing of Mr. Mellon, the financial adviser of the administration, because a special tax was not levied to pay that. But some one says that it will take four billions to pay the bonus. I want to set down the figures, so that claim will not be made unchallenged again. Two million men went overseas. Under the bill they were to get a dollar and a quarter a day for each day in the service, not exceeding \$600, less the \$60 bonus paid on discharge. That is, \$540 each, if each one was in from the day war was declared until the end. This would make \$1,080,000,000. The men who did not go overseas were to have \$1 a day, not exceeding \$500, less the \$60 bonus, which would be \$440 each if everyone was in from the day war was declared until the end. This would make for the 2,000,000 men in \$880,000,000. The total therefore would be \$1,960,000,000 if every man had been in all the time, or about the same that they are paying the railroads and the profiteers without ever a suggestion of a special tax. The general understanding is that the average length of service was a little over six months, or around 200 days. But suppose it was higher than that and was half of a full service—half of that would be \$980,000,000, and that is about what it would cost, certainly not over a billion, to pay these boys the cash. And it is typical of this administration that it is taking care of the great financial corporations and turning its back upon the boys who stood between this great wealth and the concentrated power of Germany. And in this bill now before us it proposes to continue this policy of subsidizing great wealth with money taken from the pockets of the producers and the burden bearers of this country.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question being taken, on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 61, noes 63.

Mr. TINCHER. I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. DAVIS of Tennessee and Mr. LEHLBACH.

The committee again divided; and the tellers reported—ayes 59, noes 70.

Accordingly, the amendment was rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 9, line 13, after the word "State," insert "and operated as a common carrier."

Mr. DAVIS of Tennessee. Mr. Chairman, this is along the same line as the last amendment. This section as it now reads extends and enumerates the tax exemptions in favor of ship-owners, which amount to an exemption of Federal taxes of every character, including excess profits, war profits, income tax, surtax, corporation tax, and everything else. It exempts them from payment upon the sole condition that they set the money aside for reinvestment. That is done without regard to whether they are common carriers or not. This amendment simply confines these exemptions and favors to the ships that are operated as common carriers; in other words, to the ships that are operating in the interest of the public and for the service of the public, and not solely for the enrichment of the Standard Oil Co., the United States Steel Trust, the Packers' Trust, the United Fruit Co., and the other classes of lines that get the benefit of these enormous exemptions, unless this amendment is adopted—exemptions that will be greater in their cases than in the case of any other steamship line.

Now, it is up to you.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. CONNALLY of Texas. In line 13 why is the year 1921 exempted?

Mr. DAVIS of Tennessee. It says:

For the taxable year 1921 and for each of the eight taxable years following.

That is retroactive.

Mr. CONNALLY of Texas. Why is that? That is what I am trying to find out.

Mr. DAVIS of Tennessee. Simply in order to favor them for the past year as well as present and future years, that is all.

Mr. WHITE of Maine. If the gentleman from Texas [Mr. CONNALLY] will allow me, I wish to state that the simple reason for putting this in is that it is existing law and that they are simply carrying out the existing law, the Jones Act.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. There has been a good deal of talk about this being an extremely innocent bill and having only one or two modifications of the existing law. The Jones law did not give any income-tax exemption. It made excess profits and war profits exempt under certain conditions. This bill expands very greatly the exemptions. How can any man say that the return of taxes paid into the Treasury does not constitute subsidies of the very highest value? How can any man say that taxes which otherwise would find their way into the Treasury of the United States, but which are allowed to remain in the pockets of a taxpayer are not contributions from the Treasury of the United States? Of course, these great organizations like the Standard Oil and the Fruit Trust and the Steel Trust will share in these benefits. Not only are they to derive these benefits in the future, but with a reported deficit of over \$700,000,000 the Treasury will have to pay back excess-profits and war-profit taxes beginning with the 1st of January, 1921. Mr. Chairman, it seems to me there is no use in intimating that these tax-exempt provisions are not of the very highest value. In fact, it was directly testified by those advocating this bill that the indirect aids were more valuable even than the direct aid or cash subsidy; and that is the only reason why the chairman of the Shipping Board says only "a modest sum" was provided for cash subsidies, because these indirect subsidies were regarded as the ones that would bear the burden.

Mr. SEARS. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. SEARS. How much do the laboring people, the merchants, business men, and farmers of the West, North, East, and South get under this bill?

Mr. BRIGGS. The gentleman knows they get nothing under the bill.

Mr. SEARS. Why should they be overlooked?

Mr. FREAR. Will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. FREAR. It was stated in this morning's paper by the Commissioner of Internal Revenue that the Treasury had \$1,400,000,000 less revenue this year than it had last.

Mr. BRIGGS. By the passage of this bill the Treasury will lose and have to restore some hundreds of millions of dollars to these rich corporations. That is the purpose of these retroactive provisions all through this bill—to restore excess profits and war taxes that have already been paid in. That purpose is manifest, and gentlemen will find that when these provisions are adopted that will be the result.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITE of Maine. Mr. Chairman, the Jones Act of 1920 provides for the exemption of the excess profits and war taxes of the 1918 act.

That act has gone out, and all we have done in this draft is to make those same general provisions of law available under existing tax statutes; that is all that has been done here.

Mr. CONNALLY of Texas. In other words, if a man has not taken advantage of the Jones Act, and has gone on and paid his income tax, he can come in now and take advantage of this act and get it back.

Mr. WHITE of Maine. He can not take advantage of that, because it has been repealed by the act of 1921. Does the gentleman mean the tax act?

Mr. CONNALLY of Texas. The gentleman says that this is reenacting existing law. If it is existing law, you do not need to reenact it.

Mr. WHITE of Maine. No; but we are trying to do something for American ships.

Mr. CONNALLY of Texas. By giving these parties retroactively something that they did not get under the Jones Act?

Mr. WHITE of Maine. The 1919 act continued in force and effect until November, 1921, and they had the benefit of that act up until that time. This bill simply gives them the benefit of the 1918 act, and it gives them the benefit of the 1921 act.

Mr. CONNALLY of Texas. What objection would the gentleman have to making it 1923?

Mr. WHITE of Maine. We do not want to cut them out, and we want to keep faith. We want them to have the benefits that the law contemplated they should have. Mr. Chairman, I move



that all debate upon this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

Mr. CONNALLY of Texas. Mr. Chairman, I move to amend, in line 13, page 9, by striking out the figures "1921" and inserting in lieu thereof the figures "1923."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 9, line 13, strike out the figures "1921" and insert in lieu thereof the figures "1923."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. BANKHEAD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Pages 12 to 14, beginning at line 11, on page 12, strike out section 266.

Mr. BANKHEAD. Mr. Chairman, I understand that debate is closed on this amendment?

The CHAIRMAN. Debate is closed on this section and all amendments thereto. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Pages 9 to 17, strike out section 201.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was rejected; and on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 46, noes 59.

Mr. DICKINSON. Mr. Chairman, I offer to amend, on page 17, line 7, by striking out section 270.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 17, line 7, strike out section 270.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. DICKINSON) there were—ayes 54, noes 66.

Mr. DICKINSON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WHITE of Maine and Mr. DICKINSON to act as tellers.

The committee again divided; and the tellers reported—ayes 52, noes 82. So the amendment was rejected.

The Clerk read as follows:

SEC. 202. (a) Subdivision (a) of section 212 of the revenue act of 1921 is amended by striking out the word and figures "section 214" and inserting in lieu thereof the following: "sections 214, 265, and 266."

(b) Section 232 of the revenue act of 1921 is amended by striking out the word and figures "section 234" and inserting in lieu thereof the following: "sections 234, 265, and 266."

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 17, line 14, strike out section 202.

Mr. DAVIS of Tennessee. Mr. Chairman, this section simply extends the exemptions that were originally granted in the Jones Act. It widens them and covers other sections not covered in that act.

Mr. WHITE of Maine. Mr. Chairman, the amendment ought not to be agreed to, because this section simply fits what the committee has already adopted into the general scheme of the revenue act.

Mr. MONDELL. It rennumbers the sections.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

#### DEPRECIATION OF VESSELS.

SEC. 203. Title II of the revenue act of 1921 is further amended by adding at the end thereof, after the sections added thereto by section 201 of this act, a new section to read as follows:

#### "DEPRECIATION OF VESSELS.

"SEC. 272. (a) That in the case of vessels registered, enrolled, or licensed, under the laws of the United States, the reasonable allowance for exhaustion, wear and tear, and obsolescence, provided in paragraph (8) of subdivision (a) of section 214, and in paragraph (7) of subdivision (a) of section 234, shall be determined, and allocated to the years in which sustained, under rules and regulations prescribed by the United States Shipping Board.

"(b) In the case of a vessel of 1,000 gross tons or more (as shown by her certificate of admeasurement), registered, enrolled, or licensed, under the laws of the United States, acquired after August 1, 1914, and prior to January 1, 1921, there shall be allowed for the taxable year 1922 and each of the four succeeding taxable years, a reasonable deduction for the exceptional decrease in value thereof since the date of acquisition, but not again including any amount otherwise allowed under this act or any previous act of Congress as a deduction in computing net income. This deduction shall be determined and allocated to the taxable year 1922 and the four succeeding taxable years under rules and regulations prescribed by the United States Shipping Board. At any time before March 15, 1927, the commissioner may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the value on which the tentative deduction for exceptional decrease in value was based, was incorrect or has changed, the income, war-profits and excess-profits taxes for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, and the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of section 252.

"(c) This section shall take effect as of January 1, 1922."

Mr. BRIGGS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 17, beginning line 22, strike out all of section 203, section 273, down to and including line 13, page 19.

Mr. DAVIS of Tennessee. Mr. Chairman, I desire to offer a perfecting amendment, but I suppose I shall be permitted to do so before the vote is taken on this.

The CHAIRMAN. Certainly.

Mr. BRIGGS. Mr. Chairman, this provision in the bill, which I seek to strike from it, is one which is designed to allow vessels acquired between August 1, 1914, and January 1, 1921, extraordinary reductions in capital costs. At the hearings it was contended that many of the ships constructed had been built at very great cost.

It was also stated, however, that during the period of the war and subsequent thereto, within a year and a half, most, if not all, of those ships earned fabulous sums; that under the common and accepted practice it was required that the capital cost should be reduced out of the net earnings, and it was testified by the owners that they would have followed that practice had they been permitted to do so by the Internal Revenue Bureau and the revenue law and regulations, but that they were only allowed to write off 5 per cent depreciation. The result was that these great earnings—in some cases nearly equal to the value of the ship in a single voyage—actually wiped out the initial cost of the ships and the great profits made are revealed in the hearings and exhibited in the minority report. Instead, therefore, of writing off capital costs, these great earnings were distributed either in the form of dividends or carried to surplus, until some of these companies accumulated a surplus so large that they declared immense stock dividends and some are even now carrying an enormous surplus. It is proposed now, under the bill, to allow these companies to write down the cost of those vessels and secure tax exemptions of the most valuable character, and at the same time preserve the fruits and returns that they received from the enormously high freight rates—in some cases 1,250 per cent over pre-war rates—which they earned during the war and subsequent to the war. At the hearings no one could or would tell how valuable this tax exemption is or how much it will amount to. All that was disclosed was that this so-called indirect aid was very valuable and that the indirect aids are really more valuable than the direct ones. No provision is made in this section for crediting against these tax allowances the great earnings made during this period; and I say this amendment ought to be adopted and this provision stricken from the bill.

Mr. WHITE of Maine. Mr. Chairman, I never heard in the discussion of a revenue bill that there should be a charge against depreciation from the man who owned a vessel or any other instrumentality. The fact is this provision is put in here to bring the policy of the United States with respect of depreciation in conformity with the practice adopted by all the maritime nations of the world, and that is all. It aims to put us in this respect on a parity with the other maritime nations of the world. The amendment ought to be voted down, and the provision should stay in the bill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer a perfecting amendment.



The CHAIRMAN. The Clerk will report the amendment.  
The Clerk read as follows:

On page 18, line 2, strike out subsection B.

Mr. DAVIS of Tennessee. Mr. Chairman, this subsection is a deduction upon a ship purchased between August, 1914, and January 1, 1921, and, as stated by my colleague [Mr. BRIGGS], this is for the purpose of relieving from taxation these shipping companies which profited upon our Government and upon the people during the war to an enormous extent. Winthrop Marvin, vice president and general manager of the American Steamship Owners' Association, admitted at the hearings that during the war American steamship lines ran up the freight rates over 1,250 per cent upon our Government and upon the public. As a result of the enormous profiteering in which they indulged when their country was in the midst of war they made enormous profits. They made hundreds of per cent annual profits. Some of them made several times the value of their total investment. And I wish to cite for your information some of the specific profits which they made as they are presented in the hearings and which have never been denied by any living soul. In the first place they made profits which were characterized as "almost fabulous" by W. J. Love, one of the \$35,000 experts, and described as "enormous" by J. B. Small, another of the \$35,000 experts of the Shipping Board. For instance, the American-Hawaiian Steamship Co. paid dividends of 200 per cent in 1916, and 405 per cent for 1917; the Luckenbach Steamship Co. made a net profit on its capital of 236 per cent in 1916 and 606 per cent profit in 1917. The Pacific Mail Steamship Co. made 365 per cent net profit on its capital stock in 1915-1920; the Atlantic, Gulf & West Indies Co. made net profits greater than its capital in 1915-1920, and during 1921, the very worst time in the history of shipping, according to its own annual report made a net income of \$1,781,337 after deducting all expenses, taxes, interest, and losses on sale of Liberty bonds; the United Fruit Co., with a capital stock of \$50,000,000, made net profits of \$94,147,500 in 1915-1920, paid dividends of \$77,080,277, and increased their surplus to \$66,176,490; the Dollar Steamship Lines made net profits on its capital stock of 322 per cent in 1916 and 104 per cent in 1917. And, remember, that the Standard Oil Co. and the United States Steel and some of the packer companies and the other industrial companies, who carry their own products and are making enormous and even outrageous profits, get the benefit of this provision to which I am directing my remarks.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield for a question?

Mr. DAVIS of Tennessee. Yes; I yield.

Mr. EDMONDS. What steamship lines do the packer companies own that the gentleman talks about so frequently?

Mr. DAVIS of Tennessee. I do not recall the names of the lines any further than that I understand that some of them do own their own ships.

Mr. EDMONDS. I never heard of them.

Mr. DAVIS of Tennessee. Well, there are a lot of things that the gentleman never heard of. Assuming that he is correct, which I do not think he is, out of all the enormous and fabulous profits that I have enumerated, that is the only one about which the gentleman can take issue with me, because they are the facts.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. KNUTSON. Mr. Chairman, I move that the gentleman be given an additional minute.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. DAVIS of Tennessee. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 41, noes 75.

Mr. DAVIS of Tennessee. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chair appointed Mr. WHITE of Maine and Mr. DAVIS of Tennessee to act as tellers.

The committee again divided; and the tellers reported—ayes 48, noes 90.

So the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BRIGGS].

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. BRIGGS. Mr. Chairman, I demand a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 25, noes 64.  
So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### INCOME-TAX CREDIT FOR TRANSPORTATION BY WATER.

SEC. 204. Title II of the revenue act of 1921 is further amended by adding, after the section added thereto by section 203 of this act, a new section, to read as follows:

#### CREDIT FOR AMOUNTS PAID FOR WATER TRANSPORTATION.

"SEC. 273. (a) That the tax computed under this title (less the credits provided by sections 222 and 238) shall be credited with an amount equal to 5 per cent of the amount of freight money paid (not accrued) by the taxpayer and for his own account during the taxable year and after the enactment of the merchant marine act, 1922, for the transportation after the enactment of such act in a vessel registered or enrolled and licensed under the laws of the United States of cargo not taken on board at a port in the coastwise trade and discharged at another port in such trade. If such transportation is in a vessel chartered by the owner of any part of the cargo from a person not affiliated with such owner within the meaning of subdivision (b), the amount of freight money paid by the charterer for the transportation of such part of the cargo shall, for the purposes of this section, be such amount as is determined by the United States Shipping Board and certified by it to the commissioner. In such cases the credit shall not be originally claimed by the taxpayer in his return, unless the return is accompanied by a copy of the certificate of the Shipping Board.

"(b) The credit provided in this section shall not be allowed with reference to transactions between persons who are affiliated. For the purposes of this section two or more corporations or associations shall be held to be affiliated if one corporation or association owns directly, or controls through closely affiliated interests or by a nominee or nominees, more than 50 per cent of the outstanding stock of or interest in the other; or if more than 50 per cent of the outstanding stock of or interest in such corporations or associations is owned directly, or controlled through closely affiliated interests or by a nominee or nominees, by the same interests. For the purposes of this section an individual or partnership shall be held to be affiliated with a corporation or association if more than 50 per cent of the outstanding stock of or interest in the corporation or association is owned directly, or controlled through closely affiliated interests or by a nominee or nominees, by the individual or partnership."

Mr. GRAHAM of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Pages 19 to 21, strike out section 204.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, this section is the one that provides for a 5 per cent rebate to anyone who ships goods in a vessel documented under the laws of the United States. I think it is vicious. I think it is extremely dangerous.

By this section you give to the man who ships across the ocean a rebate of 5 per cent, or a deduction of 5 per cent on his income tax. That is, 5 per cent of the freight is to be considered as an exemption or a deduction, which, of course, is not 5 per cent of the income tax, but it might in some cases amount to all of the income tax. In other words, it may have the effect of exempting entirely certain classes of shippers from payment of income tax under the revenue law.

I do not believe that the American Congress wants to write that sort of a principle into any law. So far as I am concerned, I think it is so inherently vicious and bad that if it were to go into this bill I could not support the bill. I say that simply to state my own position; I do not claim to speak for anybody but myself. But I think this is a bad principle, and it should be taken out of the bill; and I appeal especially to the Members of the Republican side of the House to yield now to the demand that I think is insisted upon by the country, that this be not written into the bill if the bill is to be passed.

I ask those representing agricultural districts, why would not the same argument apply exactly to the cooperative associations out in Illinois and Iowa that have grain for export and which want to ship that grain across the sea? Do you say to those associations, "You may have 5 per cent off on your freight to the seaboard"? Not at all. The farmer is not exempted. No such exemption is given to him, but it is given to the commission man or to the shipper on the seaboard for his shipment across the sea. I can not defend that sort of a proposition. I do not know how we can explain that to the farmers of the country who are now complaining because of the high freight rates charged for the shipment of their products. I do not see how we can exempt those who ship commodities across the sea and at the same time say to the farmer, "You must continue to pay high freight rates and get no deduction on what you spend." [Applause.]

Mr. DICKINSON. Mr. Chairman, I have an amendment which I wish to offer. It is a perfecting amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 20, line 1, after the word "vessel," insert "or when transported by any common carrier for shipment in such vessel."



Mr. DICKINSON. Mr. Chairman, in support of this amendment I wish to say that the purpose—

Mr. EDMONDS. Mr. Chairman, I would like to make a point of order against that amendment. As I understand, it affects railroad rates. There is nothing in this bill that affects railroad rates.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the point of order comes too late.

The CHAIRMAN. The Chair is inclined to believe that the gentleman from Iowa had actually begun his argument.

Mr. LEHLBACH. The gentleman from Pennsylvania was on his feet and made the point of order as soon as he understood the purport of the amendment. The gentleman from Iowa [Mr. DICKINSON] was recognized but had not started.

The CHAIRMAN. The Chair was observing very closely the gentleman from Iowa and thought he had actually begun speaking, and the Chair should think that he had spoken at least half a dozen or ten words before the gentleman from Pennsylvania rose. Under those circumstances, and in face of the point of order, the Chair would be compelled to rule that it is too late.

Mr. LANGLEY. Mr. Chairman, can the amendment be again read?

The CHAIRMAN. If the gentleman from Iowa is willing to suspend for that purpose, the amendment may again be read.

Mr. BANKHEAD. Mr. Chairman, I object, unless I understand that no point of order can be made against it.

The CHAIRMAN. The gentleman had already begun his argument, and the Chair asked if the gentleman will yield for that purpose. Without objection the gentleman from Iowa [Mr. DICKINSON] having the floor, the amendment may be read for information of the House. The Clerk will read.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 20, line 1, after the word "vessel," insert "or when transported by any common carrier for shipment in such vessel."

Mr. DICKINSON. The purpose of this amendment is to give the producer the same right to the deduction of 5 per cent from his income tax that the shipper has under this provision to have 5 per cent deducted from his income tax. It would apply to the farmer, it would apply to the manufacturer, it would apply to anyone who produced tonnage that is going to be shipped on these vessels across the sea. What could be more fair? Why should these men insist that the shipper have this privilege without giving it to the man who produces the cargo? I am here simply trying to get this provision into the law so that it will help the man who produces the cargo and give him permission to get 5 per cent of the freight he is compelled to pay deducted from his income tax the same as you give the shipowner the right to do.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. DICKINSON].

The question being taken, on a division (demanded by Mr. DICKINSON) there were—ayes 39, noes 61.

Accordingly, the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I have a perfecting amendment.

The CHAIRMAN. The gentleman from Texas offers a preferential amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 20, line 18, strike out all of subdivision (b) after the word "affiliated," down to and including line 7, page 21.

Mr. BRIGGS. Mr. Chairman, this amendment strikes out the definition of the word "affiliated." It is my understanding that it is the contention that industrial companies like the Standard Oil, the Steel Trust, the Fruit Trust, and others would be denied the benefit of this 5 per cent rebate under the provision contained in the bill that "the credit provided in this section shall not be allowed with reference to transactions between persons who are affiliated." If just that language is allowed to stand, it is probable that it may have that effect, but if the definition of the word "affiliated" is continued in the bill it is probable that all those companies will also enjoy this 5 per cent rebate.

Why, the Federal Trade Commission not a great while since had occasion to investigate the acquisition of holdings by the Standard Oil Co. of Indiana in the Wyoming field, and they found that even the ownership of 30 or 40 per cent of the stock of another company would give the control to the corporation owning that amount of stock. The chairman of the Federal Trade Commission, to whom I addressed a letter upon this very question, wrote me as follows:

In effect it seems to be the fact that control seems to be dependent not so much upon the amount of stock that the active minority holder may own as upon the diversification of holdings and inert qualities of holders of the majority interests. One thing is certain, and that is that no mathematical proportion can be assigned as necessary to constitute control.

He also stated in that letter that it was notorious that Mr. Gould controlled the policies of the Missouri Pacific, although he owned no more than 23 per cent of the stock of that corporation, and that there were others where even less stock ownership was held that dominated the control of organizations. So this provision here that I seek to strike out, which defines affiliated companies as those having more than 50 per cent interest in another, would open the doors wide to any company to escape the limitation if it owned only 50 per cent of the stock. They could unquestionably enjoy the benefit of this 5 per cent rebate. If they owned 49 per cent, they could enjoy the benefit of this rebate. This definition is a most dangerous provision, if you are aiming to really prevent the benefits of the 5 per cent rebate from going to those great industrial corporations, like the Standard Oil and similar combinations, which do not really strongly lay claim, I understand, to any need for sharing in the subsidy.

Mr. WHITE of Maine. If the committee understands the provisions of this section at all as it is drawn, the Standard Oil Co., the United States Steel Corporation, and the United Fruit Co., and other companies which own vessels are not the beneficiaries under this section on account of their own commodities which they carry. That is the general proposition. Then this provision with respect to affiliated companies was put in so as to prevent companies like the Standard Oil, the United States Steel, and the United Fruit from using a subsidiary corporation for the carriage of their products and thereby getting the benefit of the 5 per cent deduction. It seems to me if that provision is stricken out it will accomplish the very thing you do not want to have permitted. You do not want these corporations, either directly or through a subsidiary or affiliated corporation, to get the benefit of this deduction. This was put in for that purpose, and we believe it accomplishes it.

I move that all debate on this section and all amendments thereto be now closed.

Mr. HAWLEY. May I ask a question?

The CHAIRMAN. The gentleman from Maine has moved that all debate on this section and all amendments thereto be now closed.

Mr. JOHNSON of Washington. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON of Washington. I should like to know if an amendment is pending for the striking out of all of section 204?

The CHAIRMAN. It is.

Mr. HAWLEY. Will the gentleman from Maine withhold his motion? I would like to have five minutes. I have not spoken on the bill.

Mr. WHITE of Maine. If I may do so I will modify my motion so that all debate on the section and all amendments thereto shall close in 10 minutes.

Mr. DAVIS of Tennessee. I want five minutes.

The CHAIRMAN. The gentleman from Maine moves that all debate on this section and all amendments thereto close in 10 minutes.

The question was taken and the motion was agreed to.

Mr. HAWLEY. Mr. Chairman, I rise to support the amendment made by the gentleman from Illinois [Mr. GRAHAM] to strike out section 204. Under the revenue law in reckoning the income tax payable by any individual or corporation, a taxpayer first makes an accounting of his gross income. Then there are subtracted from the gross income reductions of two kinds. One is described under the law as deductions and the other described under the law as credits. After these are taken from the gross income you have the net income of the individual or corporation upon which the tax to be paid is computed. Now, the paragraph in this bill proposes something entirely new. It proposes that after the tax is calculated and ascertained there shall be a further deduction made. It uses the word "credit" in a new sense. Apparently it confuses the meaning. It provides that after the deductions and credits authorized by the revenue law are made a further "credit" shall be made; this further credit is not taken from the gross income, but is taken from the tax after it is assessed. There is no other case like that in the law, so far as I now recall.

Mr. WHITE of Maine. I think the gentleman is mistaken. Section 222 of the income tax law provides that the tax computed under the act shall be credited and then goes on to enumerate the number of items which are to be credited, just as we propose to do here. I think we have followed the phraseology of the income tax law.

Mr. HAWLEY. I think the gentleman is in error. The subtractions for deductions and credits made under the revenue law are from the gross income in order to ascertain the taxable net income, and not made from the tax upon the net income.



Mr. WHITE of Maine. I think the gentleman is in error.  
Mr. HAWLEY. Now, take the case of two business men engaged in the transaction or prosecution of any business or enterprise of the same character in any locality. If one deals in American-made goods and the other in goods brought in from abroad, then the man who brings his goods from abroad in American vessels and pays the ocean freight gets a deduction of 5 per cent on the amount paid for freight from his income tax while his competitor must pay the full amount.

Mr. JOHNSON of Washington. On this proposition?

Mr. HAWLEY. Yes; under the paragraph now under discussion. Suppose there were two business men in town doing an amount of business that would require each to pay \$30,000 as income tax every year. One man deals in foreign goods very largely and pays \$300,000 as freight on commodities carried in American bottoms. He is to get 5 per cent as a deduction from his income tax, or \$15,000, and so will pay only \$15,000. The other man, his competitor who deals solely in American goods, will pay an income tax of \$30,000 under the proposal in this paragraph.

Now, the policy of taxation, so far as the Government is concerned, is to hold an even balance between individuals and corporations, so that no one will be benefited at the expense of another as a result of any tax.

Mr. JOHNSON of Washington. A merchant who used American ships would have the benefit of 5 per cent of the amount paid for freight over his competitors who did not use American ships, since they dealt in goods of American production.

Mr. HAWLEY. Yes. It seems to me a vicious provision to deduct the amount from the income tax after once ascertained. And more than that, the taxing power should not be used to give one man or corporation an advantage in business over another man or corporation. I think the motion of the gentleman from Illinois [Mr. GRAHAM] should prevail. [Applause.]

Mr. DAVIS of Tennessee. Mr. Chairman—

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. MONDELL. But, Mr. Chairman, the time so far occupied in debate on this amendment has been in the affirmative. Debate was limited to 10 minutes.

Mr. GARRETT of Tennessee. I suggest that the gentleman ask an extension of time of five minutes, and let the gentleman from Tennessee who has received recognition have that five minutes.

Mr. WHITE of Maine. I will let the gentleman from Tennessee proceed for three minutes and I will take two.

Mr. DAVIS of Tennessee. That will be satisfactory.

The CHAIRMAN. Then the Chair recognizes the gentleman from Tennessee for three minutes.

Mr. DAVIS of Tennessee. Mr. Chairman, we all recollect that the Jones bill contains section 34, which President Wilson and President Harding saw proper to decline to put into execution or attempt to do so. The failure to execute that provision was given as the chief reason for the passage of this bill. A little over two years ago the Jones bill was presented by the Republican Party as a complete solution of this question. The section under consideration is one that is designed to take the place of section 34. According to the statements of the proponents of the bill, they think this provision is more valuable to the shipping interests than section 34 would have been if put into execution. During the hearings Chairman Lasker said:

It is the belief of the Shipping Board that the proposed deduction from net Federal income tax of 5 per cent of the freight paid on goods imported or exported in American-flag vessels may do more to aid in the upbuilding of the American merchant marine than any proposal which is herein submitted to the Congress.

Section 34 provided preferential tariffs for American-flag ships, but this could only be applicable to dutiable imports. The operation of section 34 gave no preference to American ships on exports and no preference to American ships on nondutiable imports. The proposed 5 per cent deduction from taxes of the freights paid on goods imported or exported in American-flag vessels now made should insure a preference to American shippers on every ton of goods sold abroad or bought for consumption at home. This 5 per cent deduction is made in substitution of section 34, but we of the Shipping Board believe it is possible that this section will accomplish at less cost to the Treasury much more than might have been accomplished by section 34.

Nothing that can be devised, the Shipping Board feels, will so greatly insure volume to American ships as the 5 per cent tax deduction here proposed.

And on cross-examination the following occurred:

Mr. LAZARO. Mr. Lasker, you stated if the Jones law could have been carried out as a whole it would have given us an American merchant marine without asking for further legislation?

Mr. LASKER. In my belief.

Winthrop L. Marvin, general manager of the American Steamship Owners' Association, and the real father of this bill, in an article in Marine Engineering gave the same opinion as to the

value of this substitute for section 34, saying, among other things, that—

As a matter of fact, it is far more valuable and effective, for it would apply to all merchandise, dutiable or free, inward or outward.

Now, while all these things are admitted to be true, yet this bill not only proposes an enactment of this provision but an enactment of innumerable other provisions carrying heavy subsidies and various other indirect aids, imposing burdens upon the taxpayers of more than \$65,000,000 per annum in addition to cost of the provision in question.

Mr. WHITE of Maine. Mr. Chairman, the situation to which this section relates is simply this: Under previous legislation, far back in the shipping history of this country, we used discriminating duties. Either we levied an additional duty on goods brought here in foreign ships, or, on the other hand, we levied a less rate of duty on goods brought in in American ships. Either was an incentive to transport goods in an American ship. The possibility of doing that thing has been denied. We are up against a situation where through long years foreign lines have intrenched themselves in the control of the movement of American goods to and from foreign ports. They are intrenched to-day, and one of our great problems is to get the American shipper to utilize American ships for the movement of his goods. Boiled right straight down to its final analysis this is an inducement to the American shipper to use the American ships for the carriage of his goods both across the water to foreign ports and from foreign ports back here. The 5 per cent deduction does not go to the ship operator. It goes to the man who owns the goods and who ships those goods in foreign commerce in our vessels. We believe that it will be a powerful inducement to American shippers to overcome their long habit of utilizing foreign ships and be a great inducement to American shippers to utilize henceforth American ships. We believe that in full cargoes is profit for American ships and the assurance of an American merchant marine.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from Illinois to strike out the section.

The question was taken; and on a division (demanded by Mr. JOHNSON of Washington) there were—ayes 56, noes 47.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 205. Subdivision (b) of section 213 of the revenue act of 1921 is amended by striking out the period at the end of paragraph (13) thereof, and inserting in lieu thereof a semicolon, and by adding after paragraph (13) a new paragraph to read as follows:

"(14) Amounts received by the owner of a vessel under section 403 of the merchant marine act, 1922, out of the merchant marine fund created by such act."

Mr. WHITE of Maine. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Maine: Page 21, line 9, strike out the figures "205" and insert in lieu thereof the figures "204."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

#### TONNAGE DUTIES.

SEC. 206. After 30 days from the enactment of this act all amounts required to be levied, collected, and paid as tonnage duties, tonnage taxes, or light money, except such amounts as are required to be paid into the treasury of the Philippine Islands, shall be double the amounts which would be required to be levied, collected, and paid if this act had not been enacted. This section shall not apply in the case of a sailing vessel (as defined in sec. 405) of less than 1,000 gross tons, or in the case of any other kind of vessel of less than 1,500 gross tons.

Mr. WHITE of Maine. Mr. Chairman, on page 21, line 18, I move to strike out the numerals "206" and insert in lieu thereof the numerals "205."

The CHAIRMAN. Without objection, the Clerk will change the numbering of the section.

There was no objection.

The Clerk read as follows:

#### TITLE III.—TRANSPORTATION OF IMMIGRANTS BY WATER.

SEC. 301. As nearly as practicable one-half of the total number of immigrants admitted to the United States in any fiscal year shall be transported in vessels registered, or enrolled and licensed, under the laws of the United States.

Mr. RAKER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RAKER: Page 22, line 3, strike out all of section 301, being lines 3 to 8, both inclusive, on page 22.



Mr. JOHNSON of Washington. Mr. Chairman, it is generally conceded that, if possible, any immigrants who are permitted to come into the United States should come in American ships, if we have the ships. But as a matter of equity it is not considered advisable to suggest that more than one-half come in that way. Several countries have laws regulating emigration and have laws in regard to immigration. Other countries say by law or by order how their emigrants shall travel, and now the United States proposes in this section of the merchant marine bill to say that if any immigrants come, one-half shall come in ships of the United States. We might write all the details into this law, but we can do it better in another bill which is to come later. A section following the one now under discussion deals with treaties and gives the President the right to act in opposition to treaties, if necessary. The assumption is, and I think it will turn out to be just that way, that the State Department will open negotiations with those countries which seem to be desirous of sending emigrants to us which will lead to an arrangement by which 50 per cent will come on American ships. Of course, this does not mean that more shall come than our immigration laws permit.

I can not see that this proposal will open the way for an increase in immigration if Congress decides we shall not have that increase, but it will give a chance to the American ships to permit the relatives in this country to lay down the money here in the United States for the passage of relatives now in Europe—

Mr. STEVENSON. If the gentleman will permit, I notice an interview by Mr. Mellon by which he advocated the open door for labor immigrants and the exclusion of others. Will this affect that in any way?

Mr. JOHNSON of Washington. If the gentleman will read the remarks made by me in the CONGRESSIONAL RECORD of Friday he will find a complete answer. The immigration laws are not to be weakened, loosened, or opened. I think his proposal is fair to the United States, in encouraging United States shipping, and ultimately help us to properly regulate immigration to the benefit of all concerned.

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. BOX. Mr. Chairman, I have sent to the Clerk's desk a perfecting amendment.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto do now close.

Mr. BOX. I move to amend that by making it in five minutes. I have a perfecting amendment which I wish to present at this time, and the Chair, expecting he would be able to do it, assured me I would be recognized.

The CHAIRMAN. The gentleman will be able to present it in any case.

Mr. BOX. I move to amend the gentleman's motion by making debate close in five minutes.

The CHAIRMAN. The gentleman from Texas offers an amendment to the motion that debate close in five minutes.

Mr. MONDELL. I will agree to modify it and make the debate close in six minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BOX. I desire to offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. Box: Page 22, line 7, after the word "year," insert the words "in compliance with the immigration laws of the United States."

Mr. BOX. Mr. Chairman and gentlemen of the committee, I present this amendment for the purpose of getting a brief expression of my objection to this provision and my suggestion of a needed amendment to a subsequent section before the committee.

Mr. GREENE of Massachusetts. I will accept the amendment.

Mr. BOX. I want to continue, if I may. [Laughter.]

The CHAIRMAN. The Chair recognized the gentleman for five minutes.

Mr. BOX. The point is that I expect to follow this amendment up by a subsequent one, which was my purpose in presenting this one.

I offer this amendment at this time in the hope that in the time allowed me I may get into the minds of the membership the necessity for an amendment which I expect to offer to a subsequent paragraph. An amendment embodying the idea suggested by this one should be carried into section 303 of this title. It is suggested that this or any like amendment undertakes to direct the President in the exercise of his treaty-

making power, but that is exactly what section 303 of this title already undertakes to do. If we are going to make any suggestions as to his manner of exercising that power, which the bill as presented by the committee does, I want us not to couple that suggestion with any hint that we think he should modify the law to meet the treaties. In his action in dealing with the immigration laws, with the advice and consent of the Senate, he will be making "the supreme law of the land," before which prior immigration statutes will have to give way. If we are to suggest anything, let us suggest that he make the treaties fit our immigration statutes. When he carries the regulation of immigration into the treaty-making functions of his office he enters into a forum where the voice of foreign powers must be heard and their will consulted. I hope that there may be an affirmative declaration by Congress that when the treaty-making power is exercised by the President, as suggested by this title, it should be done in compliance with the immigration laws. [Applause.]

Mr. EDMONDS. Mr. Chairman, all I have got to say is that the English papers are discussing this bill in England and their friends here, and they say that if we leave off the 5 per cent tax deduction and take out this immigration section they do not care what kind of a bill we pass.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. CONNALLY of Texas. Mr. Chairman, a point of order. What amendment was the Chair ruling on?

The CHAIRMAN. The gentleman's from Texas [Mr. Box].

Mr. CONNALLY of Texas. A point of order. The Chair announced that the amendment was accepted, and no one objected. Does not the Chair think that that—

Mr. EDMONDS. That is the first amendment that he offered.

The CHAIRMAN. The amendment offered by the gentleman from California is still pending.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 302. The Commissioner General of Immigration, with the approval of the Secretary of Labor, shall make regulations necessary for the enforcement of section 301. All such regulations, in so far as they relate to the administration of such section by diplomatic or consular officers of the United States, shall be subject to the approval of the Secretary of State.

Mr. EDMONDS. Mr. Chairman, I do not know what the gentleman means by talking about Mr. Rossbottom, or why he quotes from him; but I do know that Mr. Rossbottom is trying to arrange to have three or four of his ships changed so that he can carry immigrants. Several times "Nauticus" has stated that all the foreigners care about is for us to take out the income-tax exemption of shippers and take out the immigration provisions, and then we can pass any legislation that we please. The people of Italy require that all their immigrants shall travel on Italian ships.

Mr. RAKER. Will the gentleman allow me to state what Mr. Lasker said on that subject?

Mr. EDMONDS. I can not yield now.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. EDMONDS. I can not yield now.

The CHAIRMAN. The gentleman declines to yield.

Mr. EDMONDS. Before the war the immigration into this country was divided up between the English and the German and the Holland lines. We got no show at it. If you propose to run your ships, you have got to have immigration. The gentleman from California [Mr. RAKER] is opposed to any change of law except by his committee. Any law that we have on the books has to be changed by his committee.

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California [Mr. RAKER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 303. Section 301 shall not take effect as to immigrants transported in a vessel documented under the laws of any foreign country until a time fixed by proclamation of the President. The President is authorized and directed, whenever in his opinion the provisions of this title or of regulations made thereunder, are or may be in conflict with treaties or conventions with a foreign country, to take such steps as may, in his opinion, be necessary to remove such conflict. Whenever, in his opinion, no such conflict exists in the case of any country he



shall so proclaim, and the provisions of this title and regulations made thereunder shall take effect in the case of immigrants transported in vessels documented under the laws of such country at the time specified in his proclamation therefor.

Mr. BOX. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. Box: Page 20, line 23, after the word "conflict," strike out the period and insert in lieu thereof the following: "by making such treaties or conventions conform to the provisions of this title and all other immigration laws of the United States."

Mr. CHINDBLOM. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. We can not by legislation establish the terms of the treaty to be made by the President. It belongs to the Executive department. A treaty once negotiated by the President is subject only to approval by the Senate. We can not in this legislation provide for the terms of a treaty.

The CHAIRMAN. The gentleman raises a constitutional question. It is not within the province of the Chair to determine that. The Chair will examine the amendment. The Chair overrules the point of order.

Mr. BOX. Mr. Chairman and gentlemen, I invite your attention to this in connection with the point of order which the gentleman from Illinois [Mr. CHINDBLOM] makes. He makes a point that is probably valid from the constitutional standpoint, that we have no power to direct the President as to the making of treaties, but that is what we are doing in this section with or without any amendment.

Now, that being so, we can not instruct him to change these treaties; but it is the law, as I understand, that a treaty made and ratified will invalidate or repeal a prior statute, and having no authority to direct the President in his power to deal with one of two things, one of which is treaties and the other of which is statutes, we are telling him to bring these two conflicting things together. Our effort to give any direction is only an effort to authorize him to bend the statutes to fit treaties which we have no power to direct him in making.

Title 3, sections 301, 302, 303, and 304, provide that as nearly as practicable one-half of the total number of immigrants admitted to the United States in any fiscal year shall be transported in vessels registered or enrolled and licensed under the laws of the United States. Subsequent paragraphs of title 3 plainly recognize the fact that this is violative of our treaties with many foreign powers. This fact is admitted by the gentleman from Pennsylvania [Mr. EDMONDS], as shown by the following, taken from column 1, page 92, of the CONGRESSIONAL RECORD of November 23:

Mr. RAKER. The idea was in the committee that this provision violated about 32 treaties.

Mr. EDMONDS. I think that is right.

My understanding is that the essence of the conflict between this provision and other treaties is much the same as that of the conflict between section 34 of the Jones Act and the treaties. Section 34 did not designate the points of conflict between it and all of the treaties. A general review of a great many of our treaties, and a thorough understanding of each, would be necessary to locate all these points of conflict. That was left to the President. I think the same would be found true of the conflict between this clause and the 30 or more treaties with which it would conflict. I think one of these conflicts is illustrated by a comparison between this clause and a clause in our treaty with Serbia, concluded October 14, 1881, which is as follows:

There shall be reciprocally full and entire liberty of commerce and navigation between the citizens and subjects of the two high contracting parties. (Vol. 14 Senate Documents, 66th Cong., 1st sess., 1919, p. 36.)

The fact that stipulations such as this ramify our whole system of treaties of commerce and navigation, and the further fact that the denunciation of one clause of a treaty might, in effect, destroy the whole treaty and release the other party from all the obligations thereof, were evidently elements which deterred Presidents Wilson and Harding from denouncing these treaties. The same appalling difficulty attends the execution of the plan outlined in Title III.

That difficulty has been so great that neither President Wilson nor President Harding would undertake to overcome it, and I doubt if any wise President would. But great as that difficulty is, and forceful as is the objection which it presents to the enactment of Title III, I do not regard it as the most serious objection to it. The most serious objection is in the fact that this particular title, in effect, authorizes the President to abrogate provisions of our immigration laws. It seems to be conceded that a treaty negotiated and ratified after the

passage of an act of Congress may modify or repeal a prior legislative enactment by Congress. In the American Journal of International Law, No. 15, 1921, page 34, Jesse S. Reeves, professor of political science of the University of Michigan, says:

On the other hand, a treaty may not only create a new international obligation but may modify, by way of amendment or repeal, a prior expression of the legislative will as expressed by Congress.

It is believed that many authorities could be found in support of this proposition if time permitted a collection and statement of them, and that the proposition is necessarily involved in the larger proposition that the treaties made by the President, with the advice and consent of the Senate, are the supreme law of the land.

Now, what have we in Title III? Section 301 violates the provisions of 32 treaties of the United States with foreign powers. Section 303 provides:

The President is authorized and directed, whenever in his opinion the provisions of this title or regulations thereunder are, or may be, in conflict with treaties or conventions with a foreign country, to take such steps as may in his opinion be necessary to remove such conflict.

Here the President is authorized and directed to deal with two things: First, with treaties; second, with statutory law and regulations made in obedience to it. Any authority or direction to the President concerning his treaty-making power is void. It has no legal effect, and more than one President has so treated it. But the power which this invites him to exercise over statutory law is substantial. We may not tell the President how he shall exercise his treaty-making power, but we can in advance suggest and invite his abrogation of statutory provisions of the immigration laws by directing him to deal with two things which may be in conflict so as to remove the conflict. If we had power to direct in both, that would give him authority over both, but he already has authority over at least one, and we are suggesting that he exercise that authority for the modification of our immigration laws.

One of the greatest dangers to which the immigration laws have been exposed during recent years has, in my judgment, been the danger of passing them over to the control of the treaty-making power. Foreign countries have a say in the making of treaties. When Congress invites the President to control immigration laws by the treaty-making power it invites the President to consult with foreign countries and meet their views on our immigration policies. There can be no treaty with a foreign power except upon terms acceptable to such foreign power. If our immigration laws ever come in actual practice to be controlled by the President in his treaty making, they will pass into that forum where the voice of foreign powers must be heard and their wishes consulted. We all know that they want to unload their surplus and undesirable population upon us. They will not agree to treaties made exclusively in our interests, as we have a right to make our immigration laws; therefore we shall insist that our immigration policies shall be controlled by Congress and not by the President through the treaty-making power.

I call special attention to the fact that nearly all of our leading immigration laws restricting immigration have had to be passed over the Presidents' vetoes. Our Presidents have not usually been in sympathy with the views of the people on this subject, and have repeatedly used the veto power to prevent them from giving expression to what they have repeatedly tried to say for themselves and their posterity. In 1879 President Hayes vetoed the first Chinese exclusion act. (2 I. C. R. 580.) In 1882 President Arthur vetoed an act suspending Chinese immigration for a period of 20 years. (2 I. C. R. 581.) On March 3, 1897, President Cleveland vetoed an immigration act excluding illiterates (2 I. C. R. 573.) President Taft vetoed an immigration bill in 1913 containing a restriction against the admission of illiterates. (Page 101, RECORD, special session, 59th Cong.) In 1917 President Wilson vetoed an act excluding illiterates, but Congress passed it over his veto.

The present 3 per cent law and extensions of it, have been approved by President Harding, which is an exception to the rule which usually applies, but we have no assurance that the exception will hereafter control the present or future Presidents. I am convinced that the purpose of the principal provisions of Title III are to enable Mr. Lasker, the chairman of the Shipping Board, and the private shipping companies, in whose interests this bill is proposed, to get control of the immigration laws so as to prevent their restricting the profits of the lawless steamship companies who bring immigrants here. Their record in dealing with it is marked throughout by disregard of law and the public interest, in return for which we are subsidizing them and placing them in a position in which, through their advocate, Mr. Lasker, they can mislead the President and, for the purpose of making money out of immigration



traffic, weaken or disregard vital parts of the immigration laws, every wholesome and restrictive feature of which they so much hate.

But if we say to the President that whatever he does with the subject should be in harmony with the law as now existing we are maintaining that which it is our duty to maintain. It would be extreme folly, I am afraid—serious and calamitous folly—for us to abandon the control of this part of our national policy to the Executive. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment. I do not think it is either wise or necessary to direct or advise the President in the matter of treaty making.

I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Box.]

The question being taken, the amendment was rejected.

Mr. RAKER. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from California moves to strike out the section.

The question being taken, the motion was rejected.

Mr. BOX. Mr. Chairman, I ask leave to revise and extend my remarks in the Record.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the Record. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 304. The term "United States" as used in this title in a geographical sense means the several States, the Territories of Alaska and Hawaii, the District of Columbia, Porto Rico, and the Virgin Islands.

Mr. RAKER. Mr. Chairman, I move to strike out the section.

Mr. GREENE of Massachusetts. I move that the committee do now rise.

The CHAIRMAN. The gentleman from California moves to strike out the section. The gentleman from Massachusetts moves that the committee do now rise. The motion of the gentleman from California will be pending in the morning.

The motion of Mr. GREENE of Massachusetts was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 12817) to amend and supplement the merchant marine act of 1920, and for other purposes; had come to no resolution thereon.

#### LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. TUCKER, for to-day, on account of sickness.

To Mr. DAVIS of Minnesota, indefinitely, on account of illness.

#### LEAVE TO EXTEND REMARKS.

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent to extend my remarks made in the debate on this bill.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the Record on this bill. Is there objection?

Mr. BRIGGS. Mr. Speaker, there seems to be some confusion in the House as to whether permission to extend remarks has been granted to Members generally who speak upon this bill. I understood that that leave had been granted.

The SPEAKER. No such permission has been granted as yet.

#### HOUR OF MEETING TO-MORROW.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. I make this request in order that we may, if possible, dispose of at least the major portion of the bill to-morrow, in order that we may have the final vote promptly at 4 o'clock on Wednesday, or possibly a little earlier, if that is agreeable to gentlemen on both sides.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet to-morrow at 11 o'clock. Is there objection?

There was no objection.

#### ADJOURNMENT.

Mr. MONDELL. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 39 minutes p. m.) the House adjourned until Tuesday, November 28, 1922, at 11 o'clock a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

710. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of Labor, transmitting a statement of typewriters, adding machines, and other labor-saving devices exchanged in part payment for new machines during the fiscal year ended June 30, 1922, was taken from the Speaker's table and referred to the Committee on Appropriations.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 9847) granting an increase of pension to Agnes Allen; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12845) granting a pension to William Karch; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 12875) granting a pension to Tracey M. Halley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LINEBERGER: A bill (H. R. 13045) amending the Army appropriation act approved July 9, 1918, providing for appointment and retirement of officers of the Medical Reserve Corps or contract surgeons; to the Committee on Military Affairs.

By Mr. LYON: A bill (H. R. 13046) authorizing the Secretary of the Treasury to convey to the city of Wilmington, N. C., marine hospital reservation; to the Committee on Public Buildings and Grounds.

By Mr. STRONG of Kansas: A bill (H. R. 13047) to amend sections 3, 4, 6, 9, 12, and 15 of the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. UNDERHILL: Joint resolution (H. J. Res. 395) authorizing the Director of the United States Veterans' Bureau to continue the operation of United States Veterans' Hospital No. 36; to the Committee on Interstate and Foreign Commerce.

By Mr. FOCHT: Joint resolution (H. J. Res. 396) providing funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 5, 6, and 7, 1923, and for other purposes; to the Committee on the District of Columbia.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENHAM: A bill (H. R. 13048) to correct the military record of Jacob Shuey; to the Committee on Military Affairs.

By Mr. FROTHINGHAM: A bill (H. R. 13049) for the relief of Philip T. Post; to the Committee on Claims.

By Mr. GOULD: A bill (H. R. 13050) granting a pension to Sarah Palmer; to the Committee on Invalid Pensions.

By Mr. HARDY of Colorado: A bill (H. R. 13051) granting a pension to Henrietta F. McAuliffe; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 13052) granting a pension to John Bergman; to the Committee on Pensions.

By Mr. MICHENER: A bill (H. R. 13053) for the relief of Vanrenslear Vander Cook, alias William Snyder; to the Committee on Military Affairs.

Also, a bill (H. R. 13054) granting a pension to John Wilkinson; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 13055) granting a pension to Barsha Story; to the Committee on Invalid Pensions.

By Mr. ROSE: A bill (H. R. 13056) granting an increase of pension to Eliza Jane Shoenfelt; to the Committee on Pensions.

Also, a bill (H. R. 13057) granting a pension to Laura Birkhiemer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13058) granting a pension to Carrie M. Black; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13059) granting a pension to William A. Shirley; to the Committee on Pensions.

Also, a bill (H. R. 13060) granting a pension to Millie Rex; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13061) granting a pension to Mary J. Robbette; to the Committee on Invalid Pensions.

By Mr. VOIGT: A bill (H. R. 13062) granting a pension to Maud Monrean; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13063) granting a pension to Anna Maria Craig; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6470. By the SPEAKER (by request): Petition of J. J. Castellini, of Cincinnati, Ohio, favoring the passage of the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6471. By Mr. KINDRED: Petition of Cleveland A. Dunn, of New York, N. Y., relative to district offices in the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

6472. By Mr. KISSEL: Petition of E. F. Warner, publisher Field and Stream, New York City, N. Y., relative to the national parks; to the Committee on the Public Lands.

6473. By Mr. LYON: Resolution of Department of Christian Social Service of the Episcopal Church, submitted by Rev. Thomas C. Darst, bishop of East Carolina, asking for emergency immigration legislation for relief of Near East refugees; to the Committee on Immigration and Naturalization.

6474. By Mr. ROSE: Petition of the Democratic Women's Organization of Cambria County, Pa., requesting Enforcement Agent Davis to separate law enforcement from politics and enforce the law impartially; to the Committee on the Judiciary.

#### SENATE.

TUESDAY, November 28, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O Lord, our God, we bless Thee that though the heaven of heavens can not contain Thee, Thou art pleased to dwell with those who are of an humble and contrite heart. Grant unto us such a disposition of mind, of will, of soul, that we may come into that happy relationship to have Thy abiding presence when undertaking responsibility, meeting the demands of duty, and asking from Thee guidance in all the pathways along which we are called to travel. Hear us, we beseech of Thee, for all who need Thy help in the great demands of the present life and engagements, and glorify Thyself in and through us. Through Christ, our Lord. Amen.

#### CALL OF THE ROLL.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ball	George	McKinley	Sheppard
Bayard	Glass	McLean	Shortridge
Borah	Gooding	McNary	Simmons
Brandeggee	Hale	Myers	Smoot
Broussard	Harrell	Nelson	Sterling
Calder	Harris	New	Sutherland
Cameron	Harrison	Nicholson	Townsend
Capper	Heflin	Norris	Underwood
Culbertson	Jones, N. Mex.	Overman	Wadsworth
Cummins	Jones, Wash.	Page	Walsh, Mass.
Curtis	Kellogg	Pepper	Walsh, Mont.
Dial	Keyes	Phipps	Warren
Edge	Ladd	Pittman	Watson
Elkins	La Follette	Ransdell	Weller
Fletcher	Lodge	Rawson	Willis
Frelinghuysen	McKellar	Reed, Pa.	

Mr. FLETCHER. I desire to state that my colleague [Mr. TRAMMELL] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. I will let this announcement stand for the day.

Mr. HARRISON. I wish to announce the unavoidable delay of my colleague, the senior Senator from Mississippi [Mr. WILLIAMS].

The PRESIDENT pro tempore. Sixty-three Senators have answered to their names. There is a quorum present.

#### THE JOURNAL.

The reading clerk proceeded to read the Journal of yesterday's proceedings.

Mr. CURTIS. I ask unanimous consent to dispense with the further reading of the Journal.

The PRESIDENT pro tempore. Is there objection?

Mr. HARRISON. Reserving the right to object for the present, I think every one will agree that we have one of the most efficient Journal clerks in the history of this body—

The PRESIDENT pro tempore. The Chair desires to observe that the question is not debatable.

Mr. HARRISON. I object, then.

The PRESIDENT pro tempore. The Secretary will read the Journal.

The reading clerk resumed the reading of the Journal, and after having read for some time,

Mr. HARRISON. There is so much confusion in the Chamber that we can not hear what the reading clerk is reading.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. HARRISON. I suggest the absence of a quorum, so that Senators may hear the reading. It is very important.

Mr. CURTIS. I make the point of order that there has been no business transacted since the last call of the roll.

Mr. HEFLIN. Oh, yes, several things have happened.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the Journal, and the Senate will be in order.

Mr. CURTIS. I make the point of order that the reading of the Journal can not be interrupted by a call for a quorum.

The PRESIDENT pro tempore. The point of order is sustained, and the Secretary will proceed with the reading of the Journal.

Mr. HARRISON. I suggest that business has been transacted. Several pages of the Journal have been read, and I respectfully appeal from the decision of the Chair.

The PRESIDENT pro tempore. The Senator from Mississippi appeals from the decision of the Chair.

Mr. HARRISON. On that I ask for the yeas and nays.

The PRESIDENT pro tempore. The question is, Shall the ruling of the Chair stand as the judgment of the Senate? On which the Senator from Mississippi demands the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called.) I have a general pair with the senior Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. HALE (when his name was called.) I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Nevada [Mr. ODDIE], and vote "yea."

Mr. SUTHERLAND (when his name was called.) I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from New Mexico [Mr. BURSUM], and vote "yea."

Mr. WATSON (when his name was called.) I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Missouri [Mr. SPENCER], and vote "yea."

The roll call was concluded.

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from California [Mr. JOHNSON], and vote "yea."

Mr. STERLING (after having voted in the affirmative.) I have a general pair with the Senator from South Carolina [Mr. SMITH]. I find that Senator has not voted. I transfer my pair with him to my colleague [Mr. NORBECK], and permit my vote to stand.

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Arizona [Mr. ASHURST], and vote "yea."

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence I withhold my vote.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from North Dakota [Mr. McCUMBER] with the Senator from Utah [Mr. KING].

The result was announced—yeas 60, nays 1, as follows:

#### YEAS—60.

Ball	Edge	Harrison	McKellar
Borah	Elkins	Heflin	McKinley
Brandeggee	Fletcher	Jones, N. Mex.	McLean
Broussard	Frelinghuysen	Jones, Wash.	McNary
Calder	George	Kellogg	Myers
Cameron	Gooding	Keyes	Nelson
Capper	Hale	Ladd	New
Caraway	Harrell	La Follette	Nicholson
Curtis	Harris	Lodge	Norris



Page  
Pepper  
Phipps  
Pittman  
Poindexter  
Ransdell

Rawson  
Reed, Pa.  
Sheppard  
Shortridge  
Simmons  
Smoot

Sterling  
Sutherland  
Swanson  
Townsend  
Underwood  
Wadsworth

Walsh, Mass.  
Walsh, Mont.  
Warren  
Watson  
Weller  
Willis

NAYS—1.

Dial

NOT VOTING—34.

Ashurst  
Bayard  
Barsum  
Colt  
Culberson  
Cummins  
Dillingham  
Ernst  
Fernald

France  
Gerry  
Glass  
Hitchcock  
Johnson  
Kendrick  
King  
Lenroot  
McCormick

McCumber  
Moses  
Norbeck  
Oddie  
Overman  
Owen  
Pomerene  
Reed, Mo.  
Robinson

Shields  
Smith  
Spencer  
Stanfield  
Stanley  
Trammell  
Williams

So the ruling of the Chair was sustained as the judgment of the Senate.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the Journal of the proceedings of the last legislative session.

The reading clerk resumed the reading of the Journal of the proceedings of yesterday, and was interrupted by

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the parliamentary inquiry.

Mr. HARRISON. The clerk read that the vote was recorded, but did not read the names of the Senators. Are they in the Journal?

The PRESIDENT pro tempore. They are. The Secretary will read the names of the Senators recorded for and against the proposition.

The reading clerk read the names of the Senators recorded in the affirmative and in the negative.

The reading of the Journal was resumed and concluded.

The PRESIDENT pro tempore. The question is, Shall the Journal of the proceedings of the last legislative day's session be approved?

Mr. HARRISON. Mr. President, I move to amend the Journal by inserting the names of the Senators who answered "present" on the roll calls on yesterday where they fail to appear in the Journal, but appear in the CONGRESSIONAL RECORD; and on that I ask for the yeas and nays.

The PRESIDENT pro tempore. The Senator from Mississippi moves to amend the Journal by inserting the names of the Senators who answered to the roll call three separate times. Upon that the yeas and nays are demanded.

The yeas and nays were ordered.

Mr. WATSON. Mr. President, let us understand the motion. I did not get it.

Mr. HARRISON. I will say to the Senator from Indiana that the motion I made was this: The Journal says that so many Senators answered to their names but does not name the Senators. I am merely moving that in those instances where a certain number of Members are stated to have answered "present" but their names do not appear, the names of the Senators be inserted as they appear in the CONGRESSIONAL RECORD.

Mr. WATSON. I imagine that the motion is entirely in order but I hope it will not be adopted. It would be establishing a bad precedent.

Mr. UNDERWOOD. Mr. President, I am very much surprised to hear the distinguished Senator from Indiana say that it is establishing a bad precedent for the Senate to give publicity in the Journal of this body to what is done here. I am not going to debate the question with the Senator; but the Journal is supposed to be the written record of this body, the monument for future ages to find out what has been done, and surely Senators do not desire to camouflage the Journal by not allowing the names of those who participated in making laws to appear on the face of the Journal. So I think the motion of the Senator is entirely in order.

The PRESIDENT pro tempore. The motion is not debatable.

Mr. SWANSON. Mr. President—

Mr. LODGE. The motion is not debatable.

Mr. SWANSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The motion is not debatable. The yeas and nays have been ordered upon it, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. SWANSON. I suggested the absence of a quorum, Mr. President, and no Senator has answered yet.

The PRESIDENT pro tempore. The Senator from Mississippi moves that the names of the Senators answering on these several roll calls shall be inserted in the Journal.

Mr. SWANSON. And pending that I suggested the absence of a quorum.

Mr. CURTIS. Mr. President, I make the point of order that the reading of the Journal can not be interrupted by a call for a quorum.

Mr. SWANSON. It has already been read and approved.

Mr. CURTIS. It can not have been approved if there is a motion to amend it.

Mr. UNDERWOOD. Mr. President, if the Chair will hear me a moment. Of course we know perfectly well what the issue is before the Senate—that there is a bill that it is threatened to take up, the consideration of which some of us are resisting; but in doing that I do not think we should violate the rules on this side or on the side of those who are in favor of taking up the bill. I think the Chair was eminently right a while ago when he held that the reading of the Journal could not be interrupted; but the Journal is the record of the legislative action of this body, and it must speak the truth. I think almost universally it does speak the truth, but it may not at times; and when it does not speak the truth it is perfectly proper for any Senator to move to correct it so that it shall speak the truth, and that is a matter which is open to the consideration of this body in the usual way.

Mr. CURTIS. Mr. President—

Mr. UNDERWOOD. Just one moment. A motion is made to amend the Journal. That motion the Chair has held in order. Before the motion was put the Senator from Virginia [Mr. SWANSON] suggested the absence of a quorum for the purpose of letting absent Senators appear to vote on this motion. That is entirely consistent with the ordinary procedure of the Senate.

Mr. CURTIS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Chair is entirely agreed with the Senator from Alabama. The Chair did not hear the Senator from Virginia make the point of no quorum. The Secretary will call the roll upon the point of no quorum.

Mr. HARRISON. Mr. President, will the Senator from Virginia withhold that point of no quorum until I modify my amendment?

Mr. JONES of Washington and Mr. SMOOT. Regular order!

The PRESIDENT pro tempore. The Secretary will call the roll to determine the presence of a quorum.

The roll was called, and the following Senators answered to their names:

Ball	George	McNary	Shortridge
Bayard	Glass	Myers	Simmons
Borah	Hale	Nelson	Smoot
Brandeggee	Harrell	New	Sterling
Broussard	Harris	Nicholson	Sutherland
Calder	Harrison	Norris	Swanson
Cameron	Heflin	Overman	Townsend
Capper	Jones, N. Mex.	Page	Underwood
Caraway	Jones, Wash.	Pepper	Wadsworth
Culberson	Kellogg	Phipps	Walsh, Mass.
Cummins	Keyes	Pittman	Walsh, Mont.
Curtis	Ladd	Poindexter	Warren
Dial	La Follette	Pomerene	Watson
Edge	Lodge	Ransdell	Weller
Elkins	McCumber	Rawson	Willis
Fletcher	McKellar	Reed, Pa.	
Frelinghuysen	McLean	Sheppard	

The PRESIDENT pro tempore. Sixty-six Senators have answered to their names. There is a quorum present. The question is upon agreeing to the motion made by the Senator from Mississippi.

Mr. HARRISON. Mr. President, I desire to modify my motion to the extent of moving that the first roll call of yesterday showing Senators present be inserted in the Journal at the proper place. It is on page 180 of the CONGRESSIONAL RECORD.

Mr. OVERMAN. Mr. President, I call attention to Rule IV, in which it is stated that every vote shall be recorded in the minutes, and I ask for the correction of the Journal.

The PRESIDENT pro tempore. The votes are always recorded and have been read.

Mr. OVERMAN. The votes have not been read, as I understand it.

The PRESIDENT pro tempore. The votes have been read. Responses upon the call for a quorum are now under consideration and have not been read and are not in the Journal.

Mr. OVERMAN. I make the point of order that they should be set out in the Journal.

The PRESIDENT pro tempore. The Senator from Mississippi has moved to amend the Journal, and the question is upon the motion.

Mr. UNDERWOOD. Mr. President, before the motion is voted on I would like to say a word. I do not care to go into a general debate of the question, but the Chair intimated a

while ago that a vote to amend the Journal is not debatable, and I wish to insist that it is debatable. I think the rule of the Senate clearly states that a motion to amend the Journal is privileged, and there is no rule or precedent to indicate that it is not debatable.

Such motions have been debated in the past, and it must be manifest to the Chair that such a motion is debatable, when the Chair considers that courts rely, in determining the action of the Senate, on the Journal, and you can not go behind the Journal in the courts in determining the action of the Senate. If a legislative mistake has been made in the Journal of necessity it can be amended by the Senate before it has gone too far, and I can not see how it is possible to intelligently correct a mistake that is made unless the proponent of the motion has an opportunity to state wherein a mistake has taken place, and wherein he desires to have the Journal amended; and that is debate.

I have no desire to debate the motion of the Senator from Mississippi, but I insist that it is subject to debate.

The PRESIDENT pro tempore. The Chair has not ruled that it is not debatable.

Mr. LODGE. I ask that rule 3, relating to the Journal, be read.

The PRESIDENT pro tempore. The Secretary will read rule 3.

The ASSISTANT SECRETARY. Rule 3, on pages 6 and 7 of the Senate Manual, reads as follows:

The Presiding Officer having taken the chair, and a quorum being present, the Journal of the preceding day shall be read, and any mistake made in the entries corrected. The reading of the Journal shall not be suspended unless by unanimous consent; and when any motion shall be made to amend or correct the same, it shall be deemed a privileged question and proceeded with until disposed of.

Mr. UNDERWOOD. Mr. President, while the Secretary was reading the rule my attention was called to the Precedents, starting on page 443, away back in the early history of the Senate, where it is shown, on page after page, that motions to expunge, and to insert a message of the President in the Journal, and to correct the Journal were all questions that were debated, so far as an amendment to the Journal is concerned.

The PRESIDENT pro tempore. Will the Senator from Alabama permit the Chair to observe that he has not ruled that the question is not debatable?

Mr. UNDERWOOD. I take it from what the Chair has intimated that he probably will rule that it is debatable, when the time comes, and I shall not occupy the time of the Senate any further.

The PRESIDENT pro tempore. The Chair is of the opinion that the question is debatable.

Mr. UNDERWOOD. I did not want it in doubt.

The PRESIDENT pro tempore. The question is upon the motion of the Senator from Mississippi.

Mr. HARRISON. I would like to have the last motion I made stated by the Secretary. I do not want the Senate to become confused about the important question before it.

The PRESIDENT pro tempore. The Secretary will state the motion.

The ASSISTANT SECRETARY. The Senator from Mississippi moves that the journal clerk be instructed to insert in the Journal the names of the Senators who responded on the first roll call of the Senate on yesterday.

Mr. HARRISON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. McCUMBER (when his name was called). Transferring my general pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Maryland [Mr. FRANCE], I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. EDGE. I desire to make the same announcement as to my pair and its transfer as on the previous vote and vote "yea."

Mr. HALE. Making the same announcement as before, I vote "yea."

Mr. CURTIS. I desire to announce the following general pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 52, nays 9, as follows:

## YEAS—52.

Bayard	Gooding	McLean	Rawson
Brandeggee	Hale	McNary	Reed, Mo.
Calder	Harreld	Myers	Reed, Pa.
Capper	Harris	New	Sheppard
Caraway	Harrison	Nicholson	Simmons
Culberson	Heflin	Overman	Smoot
Curtis	Jones, N. Mex.	Page	Swanson
Dial	Jones, Wash.	Pepper	Townsend
Edge	Keyes	Phipps	Underwood
Elkins	Ladd	Pittman	Walsh, Mass.
Fletcher	La Follette	Poinexter	Walsh, Mont.
George	Lodge	Pomerene	Warren
Glass	McKellar	Ransdell	Weller

## NAYS—9.

Frelinghuysen	Norris	Sterling	Watson
Kellogg	Shortridge	Sutherland	Willis
McCumber			

## NOT VOTING—34.

Ashurst	Ernst	McCormick	Smith
Ball	Fernald	McKinley	Spencer
Borah	France	Moses	Stanfield
Broussard	Gerry	Nelson	Stanley
Bursum	Hitchcock	Norbeck	Trammell
Cameron	Johnson	Oldie	Wadsworth
Colt	Kendrick	Owen	Williams
Cummins	King	Robinson	
Dillingham	Lenroot	Shields	

So Mr. HARRISON's motion to amend the Journal was agreed to.

Mr. UNDERWOOD. I move that the Senate do now adjourn, and on that motion I demand the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to the transfer of my pair, I vote "nay."

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. KELLOGG. Has the senior Senator from North Carolina [Mr. SIMMONS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. KELLOGG. I have a general pair with that Senator. In his absence I withhold my vote.

Mr. STERLING. Making the same transfer as on the last vote, I vote "nay."

Mr. CURTIS. I wish to announce the following general pairs:

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY].

The result was announced—yeas 19, nays 41, as follows:

## YEAS—19.

Bayard	George	McKellar	Reed, Mo.
Caraway	Glass	Overman	Sheppard
Culberson	Harris	Pittman	Swanson
Dial	Harrison	Pomerene	Underwood
Fletcher	Heflin	Ransdell	

## NAYS—41.

Ball	Harreld	Nicholson	Townsend
Brandeggee	Jones, Wash.	Norris	Wadsworth
Calder	Keyes	Pepper	Walsh, Mass.
Capper	Ladd	Phipps	Walsh, Mont.
Cummins	La Follette	Poinexter	Warren
Curtis	Lodge	Rawson	Watson
Edge	McCumber	Reed, Pa.	Weller
Elkins	McLean	Shortridge	Willis
Frelinghuysen	McNary	Smoot	
Gooding	Nelson	Sterling	
Hale	New	Sutherland	



## NOT VOTING—35.

Ashurst	France	McCormick	Shields
Borah	Gerry	McKinley	Simmons
Broussard	Hitchcock	Moses	Smith
Bursum	Johnson	Myers	Spencer
Cameron	Jones, N. Mex.	Norbeck	Stanfield
Colt	Kellogg	Oddie	Stanley
Dillingham	Kendrick	Owen	Trammell
Ernst	King	Page	Williams
Fernald	Lenroot	Robinson	

So the Senate refused to adjourn.

Mr. HARRISON. Mr. President, I ask for the yeas and nays on my motion.

Mr. President, on page 291 of the CONGRESSIONAL RECORD there appears the names of the Senators who responded on the second roll call on yesterday when the suggestion of no quorum was made. I move to amend the Journal by inserting at the proper place the names of the Senators who answered present at that time, as they appear on page 291 of the CONGRESSIONAL RECORD.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Mississippi.

The yeas and nays were ordered.

Mr. HEFLIN. Mr. President, so many touching incidents have been referred to in the Senate to-day by my good friend from Mississippi [Mr. HARRISON], involving the able and eloquent Senator from Indiana [Mr. WARSON], that I feel it my duty at this time to read excerpts from the Washington Herald of to-day, November 28, regarding the new proposed movement in the Senate of the Old Guard to capture the Progressives. It suggests the old story of "Come into my parlor, said the spider to the fly."

Old Guard fights to win farm vote. Decides to outdo all blocs in showing friendliness for rural interests. To call G. O. P. Senators.

Well, we called several of them home on the 7th of November.

LODGE and several colleagues meet and plan legislation against profiteers.

How startling and amusing! The Old Guard of the Republican Party planning legislation against profiteers! Mr. President, would anybody ever have thought that the recent drubbing that we administered to the Republican Party would have made converts so early—that they would be calling conferences this soon after the election to plan legislation to put the profiteer out of business?

Why, I recall when a group of profiteers came here and knocked at the door of the Senate and demanded, according to pre-election promises that had been made to them, that the excess-profits tax be taken off of them to the extent of \$450,000,000.

I recall that, Mr. President, and these profiteers went their way rejoicing, smiling, and looking back over their shoulders, and waving affectionate farewells to the Senator from Massachusetts [Mr. LODGE] and the Senator from Indiana [Mr. WARSON], and others of the Old Guard group. Four hundred and fifty million dollars, nearly half a billion dollars, that they permitted these profiteers to keep out of the Public Treasury for two years. Twice \$450,000,000—\$900,000,000—lacking only \$100,000,000 of being a billion! The profiteers have got that money and gone; and now, after the storm is over and we have weeded out a good many on the other side, the leader of the Old Guard sounds his bugle horn and calls a conference, and the Senator from Indiana claps his hands for joy and says: "We are going to out-Herod Herod, and we are going to dismiss the farm bloc or take it over and put it out of business."

Well, I have rendered service in the farm bloc. A few Democrats over here and a few Republicans from the West got their forces together and put over legislation that the Old Guard tried to defeat, and would have defeated but for this combination of votes in the Senate between the Democrats over here and Republicans from the West. Now the Old Guard lion and the progressive lamb, we are told, are going to lie down together. If they do, when they get up the lamb will be inside the lion. [Laughter.]

Mr. President, when I read this it touches me very deeply. Lend me your ears, Senators, while I read:

Leaders of the Senate Old Guard yesterday resolved upon a bold stroke to head off the farm bloc and get on friendly terms with the farmer vote.

Meeting in Senator LODGE's office, they decided that no bloc in the Senate will be permitted to exhibit greater friendliness for farming interests than will be shown by the old guard itself.

Senators, that is really sufficiently touching to cause tears. It would cause tears amongst the farmers if they thought they were really going to be turned over to the tender mercies of the Old Guard. When I see the Old Guard coming up and offering their services now to take over the progressive Republicans and to have intrusted to them legislation that we propose to

put through for the benefit of the American farmer, the American merchant, and the country banker, I think of Aesop's fable of the kite and the pigeon.

You know, the kite is a bird of prey and looks very much like a pigeon; and the kite offered his good offices to the pigeons. He said to them, "There are depredations committed on you from time to time, and I want you to make me your king, and I will protect you from all these other fowls, these cruel birds of prey." So the unsuspecting pigeons elected the kite as their king, and they had a magnificent barn loft in which they spent their evenings and roosted, and the kite was their king, and they would fly out each morning, sometimes, some of them in a considerable hurry. They felt fears they dare not express. They would come back in the evening and they discovered feathers, bones, pigeons' heads, and feet on the floor of the barn loft and the pigeons had a conference of their own when the kite was not present and they resolved:

Whereas the kite has been elected our king; and  
Whereas we have caught him devouring pigeons, his own subjects, feeding and fattening upon those that he promised to safeguard and protect: Therefore be it

Resolved, That we depose our king and be done with him for good.

And they did so, and the pigeons went their way and prospered.

There is just as much harmony to be had between a real progressive and a stand-pat Republican as there is between a kite and a pigeon or a hawk and a chicken.

Mr. President, I wish I could have gotten this apparently friendly spirit in the Old Guard crowd when for 18 months I stood here pleading for relief from high rediscount rates, when, under the fight that I made, and some others, we forced the rediscount rate down from 7 per cent to 4½ per cent. I wish that we could have had a little aid from the stand-pat Republicans then. I recall that I had a resolution pending, to force a reduction in the rediscount rate; and the Senator from Connecticut [Mr. MCLEAN], chairman of the Banking and Currency Committee, one of the chief standpatters, got up here one day and criticized and made fun of my resolution to force down the rediscount rates so that men who needed money could get money to carry on their business. When I see these Senators coming over and wanting to take the Progressives into their bosoms and have the farming interests intrusted to them, finding out since the election is past that something is happening in the country, I am reminded of what the son of the author of Greer's Almanac said on one occasion. They said to him: "Boy, are you such a prophet as your father was? Can you predict what the weather is going to be as he could?" He said, "I do not know that I have any of my father's qualities as a prophet." He said, "There is this difference between me and my father: He could always tell when it was going to rain, and I can always tell when it has rained." [Laughter.] So you can tell by what these standpatters are undertaking to do that we had a rain or, rather, a perfect deluge of ballots on the 7th day of November, and they are seeking now not to aid the Progressives but to swallow them up. They are seeking now to take them over and to operate on them.

You Progressives submit yourselves to the tender mercies of these smooth artists of the Old Guard, and when you come out of there you will not feel half so frisky as you do now.

Mr. President, here is another very touching thing:

At the meeting in LODGE's office the Old Guard Senators agreed among themselves that high freight rates and the new tariff law are in no way to blame for the existing high cost of food products. Responsibility for the same was charged to profiteering by Senator WARSON and others who addressed the gathering. Hence it was decided to make a general assault upon profiteering under the Old Guard auspices.

Mr. President, when I was at home just after the election I saw an auto truck hauling cotton out of my town to La Grange, Ga., a distance of about 35 or 40 miles. There were 20 bales of cotton on this truck, which was speeding along through the country. I hailed the young man driving the truck, and he stopped. I said, "Where are you taking that cotton?" He said, "Over to the La Grange cotton mill." I said, "Cotton must be very scarce over there. They must be hard pressed for cotton when you are carrying to them only 20 bales." He said, "No, sir; I have been hauling cotton all the fall from Lafayette—my home town—to La Grange in auto trucks." Senators, that presents a serious problem. I said to him, "Do you mean to tell me that you can haul cotton in an auto truck, making these trips constantly, day after day, from Lafayette to La Grange, and haul it cheaper than it can be hauled on the railroad, 500 to 1,000 bales at a time?" He said, "Yes, sir; much cheaper." And yet here the Old Guard says that high freight rates have nothing to do with the high cost of living.

I want to tell the Senate to-day that freight rates are practically prohibitive in many instances.



Freight rates are so high that the farmers can not afford to ship their stuff, and when the freight price is charged in it increases the price to the consumer, and the whole business is hurt; the railroads are hurt, the producer is hurt, and the auto trucks are cutting into the business of the railroads. It would really benefit the railroads to lower the freight rate on many things, because the traffic would greatly increase and they would make more money. I want a freight rate that will be fair to the shipper, fair to the railroad, and fair to the consumer.

I pointed out before, Mr. President, that it is contended the Republican tariff has nothing to do with the increased cost of living; and that is said here. I can cite one instance—the case of sugar. They have increased the price of sugar 2 cents a pound by law. Of course, that increases the cost of living, so far as sugar is concerned. We have all been told that every one of us has a sweet tooth, and if that is true, everybody might just as well get ready to consult his dentist under Republican rule, because that tooth has to come out. [Laughter.] Sugar is increased by law 2 cents a pound.

That is not all. They say the cost of living is not increased. Cement is a thing in common use. We use it for nearly everything about the home, the farm, the town. We use it for sidewalks, for streets, for roads from the farm to market, and for building bridges over little streams and creeks and rivers.

We use it for making water troughs for stock. It is used to make posts for use in constructing wire fences. They use it to make stables for horses and warehouses for cotton, oats, and wheat, and things of that kind. They use it for making dwelling houses, church houses, schoolhouses; but the Republicans put a tax of about 11 cents a hundred on cement for the benefit of the Cement Trust of Michigan. Yet they say in this little statement that their tariff tax had nothing to do with increasing the burden of the man who has to buy these things, the common necessities of life.

That is not all they have done. They have put a tax on salt of about 15 cents a hundred pounds. That is an increase of 30 cents on a 200-pound sack of salt, and we use salt in our bread; we use it to season our food; we use it to cure and save our meat; and the Republican Party, under the leadership of the Old Guard, has put a tax on salt, one of the commonest necessities of life. They took salt off the free list, where the Democrats had it, and they have increased the price about 30 cents on a sack of salt by the action of a stand-pat Republican Congress. If I had voted the Republican ticket and had stood for putting a tax on salt I could never look a salt cellar in the face again. [Laughter.] Yet these Old Guard fellows say these things have nothing to do with increasing the cost of living.

This gives us a sample of how the lion is going to swallow the lamb. They are not going to touch any big, questionable, and oppressive interest. You need not look for that from the Old Guard. They bow and smile to them; but let one of these little interests come creeping along and they pounce upon it. Did you ever see one of these big dogs amongst a lot of other dogs a little smaller than he; how he would growl and throw up the hair on his neck, then in dog language talk to them and intimidate them, and then, when some great big dog would come along, how this dog would lower his bristles and bow and smile at this other bigger dog? That is the way these stand-pat Republicans do when certain big oppressive interests come around. That is the bunch that is now undertaking to swallow the Progressives.

Mr. President, what they will do to these special interests would be accepted by them with smiles and thanksgiving, and with all the good graces with which a bride and groom accept the shower of rice thrown upon them when leaving on their bridal tour. Have you seen a bride and groom come down to the station and their friends come and shower them with rice? That is the sort of battle the Old Guard are going to carry on against these crooked special interests in the country, and they are inviting the Progressives to join them. The Progressives really have some spikes in their clubs. They can do some damage to the crooked interests if they will use them properly. But these fellows want to get them over, so that they can take the spikes out of their clubs, and let them have a pillow battle with these oppressive interests. The standpatters want you to substitute feather pillows for spiked clubs. The situation reminds me of another thing. One of our negro soldiers, when he was going into the service, was brought up, and they said to him,

"What is your name?"

He said, "My name is Sam."

"Where do you live, Sam?"

He said, "I lives out here about 5 miles."

They said, "Designate some spot, because we want to get your post-office address. Have you any family out there?"

He said, "Yes, sah; my mammy lives out there."

"What is her post-office address?"

He said, "What do you want to know that for? She ain't gwine to war, is she?"

"No," they said; "but we want to know where to ship your remains in case—"

He said, "How is that?"

"We want to know where we are to ship your remains if"—

"Ship whose remains?"

"Your remains."

He reached for his hat and fled through the open door, and as he passed out at the door he hollered back to the officer, "They ain't gwine to be no remains." [Laughter.]

I am serving notice on my Progressive friends now that if they walk into that stand-pat, Old Guard trap "there ain't going to be no remains." [Laughter.] The Old Guard will just simply swallow you whole.

There are some more really touching lines in this article, Mr. President. Let me read this on rural credits:

A rural credit bill, to extend a larger measure of credit to the farmer, thereby enabling him to weather the period between harvesting and marketing of his crops, is another measure which will be pressed by the new farm group. That is the group to be formed by the Old Guard.

Mr. President, we passed a resolution which had two sections in it, one reviving the War Finance Corporation, the other requesting the banks to loan money at the lowest rate of interest in keeping with sound banking, and the Old Guard of the Republican House struck it out and the Old Guard in this body made no complaint about it being stricken out. They wanted it stricken out. We were trying then to devise some means to give the farmer aid in the way of credit, and they had an opportunity to do it, and when the opportunity was presented, they struck the farmer over the head with a club, and they denied him the little relief we offered in section 2 of that resolution.

Now, after the election rain has come and the political storm has passed, these old stand-pat fellows, like Greer's Almanac boy, can tell when it has rained, and they are now offering to do something for the farmer of the South and West, all this after he has been literally robbed of \$15,000,000,000 in two years' time. Those who permitted the robbery, those who sanctioned the pillage and plunder, are now saying, "Let us now go to his rescue." Mr. President, such legislation as these gentlemen might effect would not help the farmers of the United States.

There was a Senator in this body who finally fell half-heartedly in line with us, and halfway supported some of these measures. But the farmers of his State could not be fooled. He was defeated. You can not fool the farmers about these things. The Senator who, when forced to meet an issue, when there is no escape, has to vote, will sometimes vote for one of these meritorious measures because he is afraid to vote against it; but that is not the sort of friend the farmer wants in this body. It is the man who is thinking of something that will help the farmer, who is always working for something that will bring him relief, who is his friend in season and out, and who is trying to protect him from those who pillage and plunder him. That is the sort of man who ought to be here, and not the man who, when he is forced to do it, will vote and then walk back into the cloak room and say, "I hated to vote for that, but there was no other alternative under the circumstances." The sooner such Senators get out of here the better it will be, and I do not want these Progressives to be deceived by any honeyed word the Old Guard will now hand out to him in order to hamstring or forestall him. They have more devious aisles and crooked walks and curious labyrinthian ways in that thing they are inviting you into than you ever saw, and you had better stay out of it. You have seen a fly perform on Tangle-Foot, have you not? [Laughter.] Whenever they get you in there and you commence trying to fly, the more you try to fly the harder you stick, and anyway, if ever the farmers see you come out of one of these stand-pat caucuses, they will whisper out of the sides of their mouths and say, "By golly, they've got him."

I am giving you warning. You had better steer clear of that thing. It is loaded. You know they say the first fellow who ever tasted strychnine did not know what it was, but he was a clever man and he wanted to help humanity. He felt the deadening effect of the drug before he died and he wrote a note and fastened it to it.

It read, "This stuff is poison." That thing I am talking to you about has poison in it. You had better stay out of it. If I catch any of you in there I am going to talk some about it myself here, because I want you to be foot-loose so that you



can work with me and with others on this side on measures that will benefit the masses. We are going to try to do something for the country banker in the next Congress, and for the country merchant and the farmer and the laboring man, the doctor, the lawyer, the preacher, the teacher—the whole mass of the American people. We are going to wring out of the hands of a coterie of plutocrats in Wall Street the control of the money supply and credit of a hundred million people, and they see it. They are trying now to disarm you and fix you so that you will be harmless.

You know what Æsop's fable said the farmer did with the lion, do you not? He said the lion courted the farmer's daughter, and he asked the farmer to give him his daughter in marriage, and the farmer said, "I am afraid you will scratch her and bite her."

He said, "No; I would not."

The farmer said, "I am afraid you would."

The lion said, "What suggestion have you to make?"

The farmer said, "Go and have your teeth knocked out and your claws cut off."

He did, and when he came back he was a pitiful looking object, and then the farmer knocked him in the head with a stick.

When you Progressives go into this arrangement with the standpatters of the Old Guard they are going to knock your progressive teeth out and cut your progressive claws, and you will not be in any condition for fighting them.

Mr. President, I must comment a moment more on the grim determination of the standpatters of the Old Guard to provide—

A rural credit law to extend a larger measure of credit to farmers.

Oh, how touching, how pathetic it is, to see the Old Guard sitting up at night planning ways and means for extending larger measures of credit to the farmers of the United States. It is both pleasing and refreshing. It gives us in a way a gleam of hope, because they know what we are going to do unto them in the next Congress. That is it, and they are trying to forestall action. They are undertaking to break up any plan that we may effect by which legislation can be passed in this body.

I want to see the Progressives remain out of the dilemma into which they are being invited.

There is one other story that illustrates the situation. I believe I have two minutes more until 2 o'clock. That is the story of the boy who went out from one of our States—a pretty wild, reckless fellow. He went away, and in his expeditions came in contact with a tiger and the tiger disposed of him. They wired the old man at home that this thing had happened, that his son had been killed by a tiger, and asked the old man what disposition he wanted them to make of the remains. He wired them to send the body home. When the crated arrangement arrived the old man went down, opened it, and found there the body of a dead tiger. The old man said: "I shall not pay any express on that package. That is a tiger. I wired them to send my son's body." They wired back to the old man, "Son in tiger." I can see your finish now if you go into any meetings with the Old Guard crowd. When you come out the Progressives will be inside the standpatters, and that will be the end. I beg of you to beware of such a finish.

Now, Mr. President, the hour of 2 has arrived, and I ask for the yeas and nays on the motion of the Senator from Mississippi [Mr. HARRISON].

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The yeas and nays have already been ordered.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Hale	McNary	Simmons
Bayard	Harrell	Myers	Smith
Borah	Harris	New	Smoot
Brandeggee	Harrison	Nicholson	Sutherland
Capper	Heflin	Norris	Townsend
Caraway	Jones, Wash.	Page	Underwood
Curtis	Kellogg	Pepper	Wadsworth
Dial	Keyes	Pittman	Walsh, Mass.
Edge	Ladd	Poindexter	Warren
Fletcher	La Follette	Pomerene	Watson
Frelinghuysen	Lodge	Ransdell	Weller
George	McCumber	Reed, Pa.	Willis
Glass	McKellar	Sheppard	
Gooding	McKinley	Shortridge	

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Mississippi [Mr. HARRISON] to amend the Journal, on which the yeas and nays have been ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. GLASS. Making the same announcement as on the previous vote, I vote "yea."

Mr. STERLING. Making the same announcement as to my pair and transfer as on the last vote, I vote "nay."

Mr. CURTIS. I wish to announce the following general pairs:

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 44, nays 12, as follows:

#### YEAS—44.

Ball	Edge	Lodge	Poindexter
Bayard	Fletcher	McKellar	Reed, Mo.
Borah	George	McKinley	Reed, Pa.
Brandeggee	Glass	McNary	Sheppard
Calder	Hale	New	Simmons
Cameron	Harris	Nicholson	Smoot
Capper	Harrison	Overman	Swanson
Caraway	Heflin	Page	Underwood
Cummins	Jones, Wash.	Pepper	Walsh, Mass.
Curtis	Keyes	Phipps	Warren
Dial	La Follette	Pittman	Weller

#### NAYS—12.

Frelinghuysen	McCumber	Rawson	Wadsworth
Gooding	Nelson	Sterling	Watson
Kellogg	Norris	Sutherland	Willis

#### NOT VOTING—39.

Ashurst	Gerry	McLean	Shortridge
Broussard	Harrell	Moses	Smith
Bursum	Hitchcock	Myers	Spencer
Colt	Johnson	Norbeck	Stanfield
Culberson	Jones, N. Mex.	Oddie	Stanley
Dillingham	Kendrick	Owen	Townsend
Elkins	King	Pomerene	Trammell
Ernst	Ladd	Ransdell	Walsh, Mont.
Fernald	Lenroot	Robinson	Williams
France	McCormick	Shields	

So Mr. HARRISON's motion to amend the Journal was agreed to.

Mr. UNDERWOOD. I move that the Senate adjourn, and upon that motion I demand the yeas and nays.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama that the Senate adjourn, on which he demands the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I have a pair with the senior Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. EDGE (when his name was called). Making the same announcement as to the transfer of my pair as on the previous ballot, I vote "nay."

Mr. GLASS (when his name was called). Repeating the announcement heretofore made as to the transfer of my pair, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "nay."

The roll call was concluded.

The PRESIDING OFFICER (Mr. JONES of Washington, after having voted in the negative). The Chair desires to state that he is paired for the afternoon with the senior Senator from Virginia [Mr. SWANSON], but transfers that pair to the junior Senator from Oregon [Mr. STANFIELD] and will allow his vote to stand.

Mr. McCUMBER (after having voted in the negative). I transfer my pair as on the previous roll call and will allow my vote to stand.

Mr. BALL (after having voted in the negative). I have a general pair with the Senator from Florida [Mr. FLETCHER]. I understand he has not voted. Is that correct?

The PRESIDING OFFICER. The Senator from Florida, the Chair is informed, has not voted.

Mr. BALL. I transfer my pair with the Senator from Florida to the junior Senator from Pennsylvania [Mr. REED] and will allow my vote to stand.

The result was announced—yeas 14, nays 32, as follows:

## YEAS—14.

Bayard	George	Heflin	Simmons
Broussard	Glass	McKellar	Underwood
Caraway	Harris	Pittman	
Dial	Harrison	Sheppard	

## NAYS—32.

Ball	Gooding	McCumber	Rawson
Borah	Hale	McKinley	Shortridge
Cameron	Jones, Wash.	McNary	Smoot
Capper	Kellogg	New	Townsend
Cummins	Keyes	Nicholson	Walsh, Mass.
Curtis	Ladd	Norris	Watson
Edge	La Follette	Page	Weller
Frelinghuysen	Lodge	Phipps	Willis

## NOT VOTING—49.

Ashurst	Harreld	Oddie	Stanfield
Brandegee	Hitchcock	Overman	Stanley
Bursum	Johnson	Owen	Sterling
Calder	Jones, N. Mex.	Pepper	Sutherland
Colt	Kendrick	Poinexter	Swanson
Culberson	King	Pomerene	Trammell
Dillingham	Lenroot	Ransdell	Wadsworth
Elkins	McCormick	Reed, Mo.	Walsh, Mont.
Ernst	McLean	Reed, Pa.	Warren
Fernald	Moses	Robinson	Williams
Fletcher	Myers	Shields	
France	Nelson	Smith	
Gerry	Norbeck	Spencer	

The PRESIDING OFFICER. A quorum has not voted. The Secretary will call the roll in order to develop a quorum.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Hale	McNary	Smoot
Bayard	Harreld	New	Stanfield
Borah	Harris	Nicholson	Stanley
Broussard	Harrison	Norris	Sutherland
Cameron	Heflin	Overman	Townsend
Capper	Jones, N. Mex.	Page	Underwood
Caraway	Jones, Wash.	Pepper	Wadsworth
Cummins	Kellogg	Phipps	Walsh, Mass.
Curtis	Keyes	Pittman	Warren
Dial	Ladd	Rawson	Watson
Edge	Lodge	Reed, Pa.	Weller
George	McCumber	Sheppard	Willis
Glass	McKellar	Shortridge	
Gooding	McKinley	Simmons	

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present. The question is on the motion of the Senator from Alabama [Mr. UNDERWOOD] that the Senate adjourn. On that motion the yeas and nays have been ordered, and the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). Making the same announcement as before, I vote "yea."

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. GLASS (when his name was called). Repeating the announcement made on the previous vote, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

The PRESIDING OFFICER (when the name of Mr. JONES of Washington was called). The present occupant of the chair is paired with the Senator from Virginia [Mr. SWANSON] for the afternoon, but finds that he can transfer that pair to the junior Senator from Wisconsin [Mr. LENROOT]. He does so, and votes "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Maryland [Mr. FRANCE], and I will allow this announcement to stand for this calendar day. I vote "nay."

Mr. STANLEY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea." I make this announcement for the day.

Mr. STERLING (when his name was called). Making the same announcement as on the former vote with regard to my pair and its transfer, I vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. SUTHERLAND. Making the same announcement as on the previous votes, I vote "nay."

Mr. FRELINGHUYSEN (after having voted in the negative). I transfer my general pair with the junior Senator from Montana [Mr. WALSH] to the junior Senator from Oklahoma [Mr. HARRELD], and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 17, nays 39, as follows:

## YEAS—17.

Bayard	George	McKellar	Stanley
Broussard	Glass	Overman	Underwood
Caraway	Harris	Pittman	
Dial	Harrison	Sheppard	
Fletcher	Heflin	Simmons	

## NAYS—39.

Ball	Jones, Wash.	New	Stanfield
Borah	Kellogg	Nicholson	Sterling
Cameron	Keyes	Norris	Sutherland
Capper	Ladd	Page	Townsend
Curtis	La Follette	Pepper	Wadsworth
Edge	Lodge	Phipps	Walsh, Mass.
Elkins	McCumber	Poinexter	Watson
Frelinghuysen	McKinley	Reed, Pa.	Weller
Gooding	McNary	Shortridge	Willis
Hale	Nelson	Smoot	

## NOT VOTING—39.

Ashurst	France	McLean	Robinson
Brandegee	Gerry	Moses	Shields
Bursum	Harreld	Myers	Smith
Calder	Hitchcock	Norbeck	Spencer
Colt	Johnson	Oddie	Swanson
Culberson	Jones, N. Mex.	Owen	Trammell
Cummins	Kendrick	Pomerene	Walsh, Mont.
Dillingham	King	Ransdell	Warren
Ernst	Lenroot	Rawson	Williams
Fernald	McCormick	Reed, Mo.	

So the Senate refused to adjourn.

Mr. HARRISON. Mr. President, I desire to offer an amendment.

On yesterday, as shown by the Journal, page 3, the Journal says that Mr. LADD presented numerous petitions of citizens of North Dakota praying for the enactment of legislation providing for the stabilization of wheat prices. This is such an important question that certainly the Journal should state the localities in which the citizens reside who pray for this legislation. So I move that the Journal be amended so as to state from what places in North Dakota those petitions come, and on that I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Mississippi moves to amend the Journal in the respect mentioned, and on that motion he asks for the yeas and nays. Is the request seconded?

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). Making the same announcement as before, I vote "yea."

Mr. EDGE (when his name was called). Making the same announcement as to transfer, I vote "nay."

Mr. GLASS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent for the afternoon, and I have promised to take care of him by a pair. I find that I can transfer that pair to the junior Senator from Wisconsin [Mr. LENROOT]. I do so, and vote "nay."

Mr. STANLEY (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as heretofore, I vote "nay."

The roll call was concluded.

Mr. FRELINGHUYSEN. Transferring my general pair with the Senator from Montana [Mr. WALSH] to the Senator from South Dakota [Mr. NORBECK], I vote "nay."

Mr. CURTIS. I have been requested to announce the following general pairs:

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

The Senator from Illinois [Mr. McCORMICK] with the Senator from Wyoming [Mr. KENDRICK]; and



The Senator from Rhode Island [Mr. COLE] with the Senator from Florida [Mr. TRAMMELL].

The result was announced—yeas 18, nays 39, as follows:

## YEAS—18.

Bayard	Glass	Overman	Simmons
Broussard	Harris	Pomerene	Stanley
Caraway	Harrison	Ransdell	Underwood
Fletcher	Heflin	Reed, Mo.	
George	McKellar	Sheppard	

## NAYS—39.

Ball	Harrell	New	Smoot
Cameron	Jones, Wash.	Nicholson	Stanfield
Capper	Kellogg	Norris	Sutherland
Curtis	Keyes	Page	Townsend
Dial	Ladd	Pepper	Walsh, Mass.
Edge	La Follette	Phipps	Warren
Elkins	Lodge	Poinexter	Watson
Frelinghuysen	McCumber	Rawson	Weller
Gooding	McKinley	Reed, Pa.	Willis
Hale	McNary	Shortridge	

## NOT VOTING—38.

Ashurst	Fernald	McLean	Smith
Borah	France	Moses	Spencer
Brandeggee	Gerry	Myers	Sterling
Bursum	Hitchcock	Nelson	Swanson
Calder	Johnson	Norbeck	Trammell
Cole	Jones, N. Mex.	Oddie	Wadsworth
Culberson	Kendrick	Owen	Walsh, Mont.
Cummins	King	Pittman	Williams
Dillingham	Lenroot	Robinson	
Ernst	McCormick	Shields	

So Mr. HARRISON's motion was rejected.

Mr. UNDERWOOD. Mr. President, on the approval of the Journal I want to say a few words, not entirely along the line of the approval of the Journal, before I make another motion to adjourn.

We are not disguising what is being done on this side of the Chamber. It must be apparent, not only to the Senate but to the country, that an effort is being made to prevent the consideration of a certain bill, and I want to be perfectly candid about it. The bill is known in the RECORD as the Dyer bill, I believe; I have forgotten its number. It is known throughout the country generally as a "force" bill.

Now, I want to say that I stand for law and order. I believe in enforcing laws, even if I did not approve of the laws on their passage. I think that in a government of law, law must be enforced, and enforced by the judicial tribunals of the country and not by mobs or collections of citizens who think that they can administer the law better than the law can administer itself.

So when I say that I am opposed to the passage of this so-called "force" bill it is not that I favor mob law under any circumstances. But under the Constitution of our country the power of government was divided between the Government at Washington, known as the Federal Government, and the governments in the several States, and I think that should this so-called Dyer bill, or "force" bill, become a law it would be the beginning of tearing down the last fabric left in the Constitution to support the integrity of the State governments. There never has been a time in my own State when it was necessary for me to lift up my voice for the enforcement of the law through orderly procedure that I have failed to do so. There never has been a time when it was a question of the enforcement of the law or the rule of the mob that I have not condemned mob rule. But I think that if the bill became a law it would threaten the very fabric of our Government, and it is not going to become a law at this session of Congress.

I do not say that captiously. I think all men here know that under the rules of the Senate when 15 or 20 or 25 men say that you can not pass a certain bill, it can not be passed. You could not pass your tariff bill last summer until we agreed to vote on it, and you are not going to get an agreement to vote on this bill. It is perfectly apparent that you are not going to get an agreement to vote on it. If you should change the rules, and adopt a cloture rule under which the majority would have a right to cut off debate, the majority could pass any bill they wanted to.

Mr. McKELLAR. They could not do it at this session.

Mr. UNDERWOOD. They could not do it at this session, of course, and under the rules of procedure in the Senate this is an impossible proposition.

In what I say to the leadership on the other side of the Senate I am not reflecting on their effort. They have made their effort. But there is great business of the country to be transacted. With the growth of business in this country it is a difficult problem to pass the supply bills at a short session of Congress. There is other legislation approaching that is of moment, legislation for which many of us may not vote, but which is entitled to consideration.

At the last session of Congress we had this "force" bill up, and I think I very candidly stated to the Senate when it was

up that we did not propose to allow it to be passed, and I want to say right now to the Senate that if the majority party insist on this procedure they are not going to pass the bill, and they are not going to do any other business. There are a large number of men whose names have been sent to the Senate, who have been appointed to important offices, and who are entitled to confirmation, and who ought to be confirmed; but they are not going to be confirmed; we are going to transact no more business until we have an understanding about this bill.

I am saying this because I am not trying to put the responsibility upon the other side. They can say I said it.

Mr. WATSON. Will the Senator permit a question?

Mr. UNDERWOOD. Certainly.

Mr. WATSON. Has the Senator conferred with a sufficient number of his colleagues on the other side to be able to speak for them and know that they will second his efforts along the line he suggests?

Mr. UNDERWOOD. I have not conferred with them as in a conference; that was not necessary. The Senator knows perfectly well that the representatives in the Senate from a very large portion of the United States, representing a number of States, will never allow a force bill to pass. A conference is not necessary to enlighten us on that point. The record votes here all morning are a demonstration of what I say, that I am not saying this for myself, that I am not making this statement alone. Let the Senator consider the record of the roll calls in the Senate this morning.

If you gentlemen want to continue, after this candid statement of the case, and keep this bill before the Senate, when you know it is going to be blocked and can not be passed, thereby stopping the transaction of all other business, go ahead, and we will have roll calls and move adjournments day and night. We can alternate between roll calls and motions to adjourn. If you do not intend to do that, we might as well come to an understanding and lay the bill aside, because you can not pass it. You know you can not pass it. Then let us go along and attend to the business of the country.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. UNDERWOOD. I yield.

Mr. SIMMONS. I wanted to say to the Senator from Indiana, who asked a question of the Senator from Alabama a little while ago, that in my judgment, after talking with a great many Senators on this side of the Chamber, I think the position of the Senator from Alabama is absolutely the attitude of the Senators on this side of the Chamber.

Mr. UNDERWOOD. I am sure of that; but I did not want to speak for anyone except myself. The RECORD speaks for other Senators. That is the situation here, and I think we had better clear the deck and confirm the men whose nominations are coming in. The members of the majority party do not have to take the responsibility. We are willing to take the responsibility, and we are going to do it. Unless we can come to some understanding about this matter I propose, before yielding the floor, to make another motion to adjourn, and ask for the yeas and nays on it.

Mr. EDGE. Mr. President—

Mr. UNDERWOOD. I withhold the motion a moment, if the Senator desires to say something.

Mr. EDGE. I desire to get the floor to make a parliamentary inquiry. Has there been any business transacted since the last motion to adjourn?

Mr. UNDERWOOD. We have just voted on a motion to amend the journal.

Mr. EDGE. If the Senator insists on a motion to adjourn—

Mr. UNDERWOOD. If the Senator desires to say something I will withhold it.

Mr. EDGE. I am simply going to make a short reply to the Senator after the motion to adjourn is voted on, if he insists on making it.

Mr. UNDERWOOD. I withdraw the motion temporarily, until the Senator from New Jersey has had a chance to make a speech.

Mr. EDGE. Mr. President, I am sure all Senators admire at least the frankness of the Senator from Alabama in his very positive statement. I might say challenge, that if dilatory tactics can prevent we will not be permitted to vote upon this bill, or, more than that, the bill will not even be permitted to become the unfinished business, which is the pending question, as I understand it.

I listened with a great deal of entertainment, as I always do, to the speech of the Senator from Mississippi this morning, when he seemed to be so distressed that business was not con-



ducted in the open, indicating that he was so anxious that business should be transacted absolutely in the open, so that the American people could be cognizant of what was going on.

I wonder, then, why the present situation will not appeal to the Senator from Mississippi. Here is a measure which has passed the other branch of Congress. No man can deny that it is for the purpose of trying to curb to some extent, or alleviate, a condition existing to-day in our country which no Senator on either side of the Chamber will attempt to defend. Why not permit it properly to come to a vote in the open, and not attempt to defeat by technicalities what probably could not be beaten by argument or debate?

I can not discuss and have no intention of discussing the constitutional side of the question, and to be perfectly frank about it, with all due regard to my oath to uphold the Constitution, I will not say that the constitutional side of the question does not concern me, because, of course, it concerns all of us, but it is difficult, especially for a layman, to decide such questions, when able lawyers on that side of the Chamber in any issue which may be brought up, not only this one, will contend with great emphasis and positiveness that the measure is or is not constitutional, and just as able lawyers on this side will take the opposite side of the case, so far as the constitutionality of the measure is concerned, or vice versa.

Mr. McKELLAR. Mr. President—

Mr. EDGE. I hope the Senator will permit me to continue. I attempted to interrupt the Senator from Mississippi this morning, but he refused to be interrupted. I want to be courteous, and in the few moments that I shall take the time of the Senate I would like to be permitted to speak without interruption.

Therefore the question of constitutionality, it seems to me, becomes to a great extent so uncertain and involved that again, I repeat, it is difficult, at least for laymen, and I am quite sure almost equally for lawyers, to decide for themselves positively whether a suggested measure is or is not constitutional.

In any event, laws of the character of this measure are naturally carried to the Supreme Court for review, and questions of constitutionality are properly decided there. So, waiving that, as I can not decide, and I am sure able lawyers on the other side can not decide it, and I am sure able lawyers on this side can not decide it, let us, therefore, face the unescapable fact that it is our duty to try in some way to help alleviate or solve this disgraceful condition.

It is well known that there is a spirit of unrest all over the country to-day, a spirit of unrest which has been developed by recent happenings, the Great War and other things; that we are having outbreaks in our own country among people in no way associated with lynching; outbreaks of all kinds, apparently against the Government, and hundreds of thousands of people in this country are subscribing to the Constitution only sufficiently to keep themselves out of jail. We know that a spirit of unrest exists all over the nation, and yet we, the Senate of the United States, facing and knowing the situation which exists, not only in the Southern States, but to some extent in other States of the Union, where men take the law in their own hands and decide cases without trial and even commit murder, we refuse, on some technical ground of constitutionality, to even attempt to relieve that situation.

It is the duty of the Senate to enact legislation of this character, or some measure that would serve to give the power of the Federal Government, of the central government, to any State of the Union which, either because it wants to or otherwise, fails to punish such blots on the life of the nation, as these recurrences of unpunished lynchings can only be classified.

I do not see, Mr. President, how we can expect to furnish an example to the nation, generally speaking the other 110,000,000 or 112,000,000 of people, and encourage them to uphold the laws, when we sit supinely by and make absolutely no effort to place the power of the Federal Government in such position that it can assist in enforcing the laws of the land. If the Constitution means anything, and it does, it means that we guarantee life and liberty to all citizens of the country. It means that we promise a trial by jury for any offense of whatever character, and we are certainly making absolutely no effort to carry out the mandates or provisions of the Constitution. We can not, in my judgment, afford to sit here and not make some effort, whether it be successful or otherwise. The continued recurrence of these massacres in different sections of the country is a condition and not a theory. It is our duty to make some effort in the hope that it may strengthen the Government, the police powers, the prosecuting powers, and the courts in those sections of the country where none or little attention seems to be paid to these crimes or their punishment. No one can for a moment—

Mr. REED of Missouri. Mr. President—

Mr. EDGE. If the Senator will wait a moment I shall conclude. No one can say for a moment that crimes of the character that usually bring about or inspire these lynchings will not be properly punished by the courts. I am sure no one on either side of the Chamber would defend a situation that would permit lynchings rather than proper court trials, for they have said that they would not, and I know they would not. I do not raise the question at all. Then why can it be any reflection upon a State if the Government, as provided in the pending measure, offers its cooperation and its assistance to try to help curb a situation and make it more positive that a fair trial will be given any man accused of crime—murder or whatever the offense may be?

We legislate here to try to relieve the economic situation. We legislate here to try to bring back prosperity in industrial and agricultural sections, and very properly so. Yet we refuse to legislate to try to assist in a situation where, of course, the most sacred thing of all is involved, that of human life. We can not, I repeat, in justice to ourselves and our responsibilities, sit here and continue to depend upon the States to mete out justice as the Constitution promises when we know perfectly well that in many instances it is not being done. We evade the responsibility when, by dilatory tactics or in any other way, a frank, open opportunity to vote yea or nay on the bill is denied. If the majority of the Senate favors it, enact it into law, and let it become the law and see if it will not at least contribute something toward a situation which everyone must admit is intolerable. Face it in the open and do not strangle it.

Now, Mr. President, I realize the feeling in some sections, which is very unfortunate, I think, that seems to exist and makes the opposition to the bill so determined, I might even say bitter. I realize that the Senator from Alabama [Mr. UNDERWOOD], if I understood him correctly, very properly said that he would in no way defend mob violence or these uprisings against the law. Of course, he would not. Neither would any other Senator or any other red-blooded American citizen. But the fact remains that they are occurring and, I believe, increasing. The fact remains that we have done nothing in any way, so far as I know, to try to curb them.

The fact remains that our country is badly disturbed to-day because of internal borings from within and opposition to law and order and even the Constitution. If we do not set the example in this Chamber, then we in effect, by our silence and our unwillingness to help the situation, practically condone or indorse the conditions as they now exist.

Mr. President, I simply wanted to go on record. I fear what the Senator from Alabama said may be true—that the opposition will not permit us to have an opportunity to vote on the bill. I want to go on record, at least, while the bill was before the Senate as absolutely in favor of some method which would give the strength and power of the Federal Government to at least try to stop these dastardly crimes which are such an unpardonable blot upon our civilization.

Mr. McKELLAR. Mr. President, I do not wonder that the Senator from New Jersey has some suggestions to make about the bill, in particular, and nonenforcement of law generally. We have had in New Jersey, his own State, one of the most remarkable examples of unpunished crime up to this date that the country has known for many years. Some one killed a minister and a choir singer in the Senator's home State, and, so far as the country knows, there has been no real effort to punish the criminals who perpetrated the crime. It is perfectly remarkable how a Senator can condemn crime in such severe terms when it occurs outside of his State, and how little attention he pays to horrible crimes that occur within his State. A very wise man, the Savior of the world, said some few thousand years ago, "Why beholdest thou the mote that is in thy brother's eye but perceivest not the beam that is in thine own eye." If there is a lynching in Illinois, and they very frequently occur there, or in Texas, or in Georgia, as they sometimes occur there, the Senator from New Jersey feels the enormity of the crime to such an extent that he would come here and openly say, as he has to-day said, that he is even willing to violate the Constitution of the United States, which he has sworn to uphold, in order to punish those crimes.

Mr. EDGE. Mr. President, I can not permit that statement to go unchallenged. I said nothing of the kind, as I am quite sure an examination of the record of my remarks will demonstrate.

Mr. McKELLAR. The Senator said that he was even willing to wink at the Constitution or trespass upon it or to take it with a grain of allowance when it comes to these lynching crimes in other people's States. As the Senator from North Carolina [Mr. OVERMAN] well reminds me, he said that be-



cause he is not a lawyer, he would be willing to take refuge in his ignorance of the law in order to see if he could not punish such crimes in other States; but we never have heard him say a word, we have never heard a protest, at any time since the remarkable New Brunswick crime that has gone unpunished in his own State. I believe nine-tenths of the people of the United States could put their finger on the murderer this moment and yet the murderer has gone unblushingly unpunished in his own State.

Mr. EDGE. Mr. President—

Mr. McKELLAR. I decline to yield. The Senator was not courteous enough to yield to me a few moments ago and I decline to yield to him now.

The Senator talks about great lawyers on the other side of the Chamber having different opinions on this bill from lawyers on this side of the Chamber. Aside from the Senator in charge of the bill in this body, I want to know what lawyer on the other side of the Chamber says the measure is constitutional?

If there is anyone on the other side of the Chamber who will say it is constitutional, I am going to stop long enough to give him an opportunity to rise in his place and say that he believes it is constitutional. I will wait a little while to give him the opportunity. I am waiting.

Mr. SHORTRIDGE rose.

Mr. McKELLAR. Oh, yes, of course we understand the Senator from California takes that view. We all know that he believes it constitutional. We know that the Senator from California has a very positive view about its constitutionality, and I excepted him from the lawyers on that side of the aisle when I made the proposition. Are there any other lawyers who believe it constitutional?

Mr. SHORTRIDGE. I presume there are.

Mr. McKELLAR. Will the Senator say there are any lawyers on his side of the Chamber besides himself who believe it constitutional?

Mr. SHORTRIDGE. There are greater lawyers than the Senator from Tennessee—

Mr. McKELLAR. I would like to have them rise and say it is constitutional.

Mr. SHORTRIDGE. Who think it is entirely constitutional, and who believe it wise and wholesome legislation.

Mr. McKELLAR. Will the Senator name a lawyer on his side of the Chamber who believes it is constitutional legislation?

Mr. SHORTRIDGE. They will answer for themselves.

Mr. McKELLAR. I wait for the Senator to answer my inquiry.

Mr. SHORTRIDGE. Senators on my side of the Chamber will answer for themselves.

Mr. McKELLAR. The Senator from California was undertaking to answer for them.

Mr. SHORTRIDGE. I know there are lawyers on this side of the Chamber, lawyers learned in the law, who sincerely believe that the proposed legislation is and will be held to be entirely constitutional. I know there are other able lawyers, for whose learning I have unqualified respect, upon the other side of the Chamber who think otherwise. I know that on propositions of this kind, in matters of this nature, honorable men, intellectual men, thoughtful men, may differ; and as for me, no difference of opinion that might exist as between myself, humble as I am, and the Senator, distinguished as he is, would cause me to question the motives of Senators, certainly not affect my regard for them socially or in any other way.

But I beg the Senator's pardon—

Mr. McKELLAR. I am delighted to yield to the Senator.

Mr. SHORTRIDGE. I did not intend to interrupt the Senator in this way or to this extent.

Mr. McKELLAR. Oh, no; I hope the Senator will proceed. I am delighted to yield to him.

Mr. SHORTRIDGE. I think that a dispassionate, careful study of the bill and its different sections, in view of the decisions of our Supreme Court, will convince many Members of this body that it is competent for Congress to enact it; but even so, admitting its constitutionality, there might be reasons advanced which would make the legislation unwise. I can well understand that honorable men who love their States, who love their Government, and who are devoted to both, as I claim to be to both, might, while admitting the constitutionality of the proposed measure, oppose it with earnestness and vigor, and resort to all permissible parliamentary action to defeat the bill. I did not rise to say that much. I do not answer for others, but I have in mind Senators who are members of the Committee on the Judiciary, and from an expression of their views I can not but believe they agree with me that the proposed measure is constitutional.

Mr. McKELLAR. The Senator in his statement has in no place answered my challenge, which is to name lawyers on the Committee on the Judiciary on his side of the Chamber, and representing that side of the Chamber, who believe that the proposed measure is constitutional. I renew the challenge now. If there is any lawyer on that side other than the Senator from California, whose views we all know, who believe that the measure would be constitutional if enacted into law, let him rise in his place and say so now.

Mr. SHORTRIDGE. Will the Senator yield just a moment?

Mr. McKELLAR. Certainly.

Mr. SHORTRIDGE. I think if the Senator from South Dakota [Mr. STERLING] were in his place he would rise and say that he thought it constitutional.

Mr. McKELLAR. Is the Senator from South Dakota the only one?

Mr. SHORTRIDGE. I think there are others, but I am not here to answer for them, nor would it be proper for me to undertake to do so.

Mr. McKELLAR. Is it possible that the Senate is asked to pass a law that is so evidently unconstitutional that there are only two lawyers on the Judiciary Committee of the Senate who are willing to say that it is constitutional or who believe that it is constitutional?

Mr. SHORTRIDGE. I answer that a majority of the Committee on the Judiciary reported the bill favorably; and I undertake to say that there are quite a number of Senators who will answer the question of the Senator from Tennessee [Mr. McKELLAR].

Mr. OVERMAN. Will the Senator from Tennessee yield to me at that point?

Mr. McKELLAR. I wish to say—

Mr. SHORTRIDGE. Let me finish the statement.

Mr. McKELLAR. I challenge any Senator on the other side of the Chamber who is a lawyer and who believes this bill is constitutional to rise up and say so. I should like to hear him do so.

Mr. SHORTRIDGE. If that is a permissible way of carrying on debate, later on I think the Senator will have answers to his question.

Mr. OVERMAN. The Senator from California stated that a majority of the Judiciary Committee reported the pending bill favorably. I should like to ask the Senator if a majority of the Republican members of the committee, including the leading lawyers on the committee, in voting to report the bill did not state that they had grave doubt about the constitutionality of the measure?

Mr. SHORTRIDGE. That may be so.

Mr. OVERMAN. Is it not so?

Mr. SHORTRIDGE. It is as to one or two Senators on the committee, certainly.

Mr. OVERMAN. If I recollect aright, the Senator from California and the Senator from South Dakota [Mr. STERLING], of all the members of that great committee, many of them being present, were the only ones who said that the bill was constitutional, and the Senator from California cited, in support of his opinion that it was constitutional, a dissenting opinion by Justice Harlan of the Supreme Court.

Mr. SHORTRIDGE. Let me first answer the Senator from Tennessee.

Mr. McKELLAR. I yield to the Senator from California to answer me. I should like to have all the light possible on this question. I do not serve on the Judiciary Committee myself, and I am wondering what is sought to be "put over" on those of us who do not believe in the constitutionality of this bill.

Mr. SHORTRIDGE. Is the Senator willing—

Mr. McKELLAR. If the Senator from California will allow me just a moment, I should like to ask him how he can claim that the United States Government can take jurisdiction constitutionally over the crime of murder by lynching when it does not have jurisdiction over the crime of murder, such as was committed recently at New Brunswick, N. J.?

Mr. SHORTRIDGE. I do not think it is timely to enter upon a law lecture in order to teach the Senator from Tennessee some of the fundamental principles of our Government.

Mr. McKELLAR. If I desired such teaching, I certainly would not go to the Senator from California for it; he would be the last Senator in the Chamber to whom I would go.

Mr. SHORTRIDGE. The Senator from Tennessee started off in a method of debate that I do not regard as courteous.

Mr. McKELLAR. The Senator from California should not have made that statement.

Mr. SHORTRIDGE. I will withdraw it if the Senator will amend his reply.



Mr. McKELLAR. The Senator ought to withdraw it. He does himself no credit when he makes such a statement as that.

Mr. SHORTRIDGE. I answer the Senator from Tennessee for the moment by saying—and I have put my thoughts into writing and they are in print—that I think this proposed legislation is constitutional.

Mr. McKELLAR. I started out with that assumption, in so far as the view of the Senator from California is concerned, and so stated specifically.

Mr. SHORTRIDGE. One moment, please. In other words, I think that it is perfectly competent for Congress to enact legislation of this kind. I think that under the provisions of our Constitution where a State, either by affirmative action or by nonaction, and continuous nonaction, denies to any citizen—indeed, any person—within its jurisdiction "the equal protection of the laws," or where by affirmative action, speaking through the legislative department or the executive department or the judicial department, deprives any person, any citizen of the United States, within its jurisdiction of "life, liberty, or property without due process of law," or where, to be brief, by action or by nonaction a State denies to any person within its jurisdiction the equal protection of the laws, then under the fourteenth amendment of the Constitution of our country it is competent for Congress by "appropriate legislation" to give that protection and to prevent that denial. I wish to say further, as to the fifth section of the fourteenth amendment to the Constitution, that it is competent for Congress to adopt the ways and means, to hit upon such legislation as it considers "appropriate legislation," in order to safeguard the rights which are guaranteed by the Constitution itself. I beg to add that there are other provisions of the Constitution upon which I rely for support of my contention that this proposed legislation is constitutional, such, for example, as the fifth amendment and paragraph 10 of section 5 of Article I.

With great respect for the Senator from Tennessee—and I will not, I hope, be forgetful of where I am—speaking as a lawyer, and with due reverence for the Constitution, and having in mind all the decisions upon the fourteenth amendment to the Constitution and the many decisions which have a bearing upon this problem, I say finally and with respect for the Supreme Court of the United States, I think they have emasculated the fourteenth amendment by one, and perhaps by two, of their decisions. I think, however, that the decisions which I have in mind are not controlling and that the features of this bill will be found to be in harmony with the Supreme Court's decisions; and if not in harmony with past decisions, yet this proposed legislation is within the four corners of the letter and the spirit of the fourteenth amendment.

I did not intend to argue the question now, and I have not; I merely answer the Senator in this brief way.

Mr. McKELLAR. Mr. President, I wish to call attention to the fact that we all understood the views of the Senator from California; but it is quite remarkable that if he has those views he has been utterly unable to influence the opinions of any other member of his committee, Democrat or Republican. We understand here from the statement which has just been made by the Senator from North Carolina [Mr. OVERMAN] there are only two members of the committee to whom the idea even suggested itself that the bill is constitutional.

Mr. SHORTRIDGE. Mr. President, I feel warranted in saying that the Senator from Iowa [Mr. CUMMINS] believes the proposed law constitutional.

Mr. OVERMAN. Mr. President, the Senator from Iowa expressed great doubt about the measure and said he voted for it with the understanding that he might vote against it when it came up in the Senate.

Mr. McKELLAR. Of course; and we all know that there is no more authority for passing this proposed law as to murder by lynching than there is for passing a law punishing any other kind of murder.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question?

Mr. McKELLAR. Just one moment, and I will yield to the Senator—

Mr. SHORTRIDGE. I merely wish to ask a question.

Mr. McKELLAR. I decline to yield to the Senator now.

Mr. SHORTRIDGE. Very well.

Mr. McKELLAR. We all know that there is no more justification under the Constitution for the passage of this measure, which would punish the crime of murder by lynching, than there would be to pass a law to punish the crime of murder committed in any other way. Is it possible that we are going to do as the Senator from New Jersey [Mr. EDGE] suggests, namely, treat the Constitution as a scrap of paper? I do

not believe Senators generally will do that; certainly the lawyers in this body on either side are not going to do that. The great lawyers on the Judiciary Committee have none of them asserted the constitutionality of this measure or said that, in their belief, if passed it would be constitutional. Most of them hold that it is unconstitutional, and we all know it is unconstitutional. We are treating our Constitution as a scrap of paper when we undertake to push forward this measure.

Mr. CARAWAY. Mr. President, may I interrupt the Senator for just a moment?

Mr. McKELLAR. With pleasure.

Mr. CARAWAY. I was going to ask the Senator if he thought there was really any design in the language of the first section, commencing on line 3, which reads:

That the phrase "mob or riotous assemblage," when used in this act, shall mean an assemblage composed of three or more persons acting in concert for the purpose of depriving any person of his life without authority of law—

Now listen—

as a punishment for or to prevent the commission of some actual or supposed public offense.

Senators will observe that a riot like the one which took place in Illinois could not be reached, nor could one like that which took place in the hop fields of California; they are absolutely exempted; and the only mob which may be touched is one which undertakes to punish a man for the violation of some public law or to prevent such a violation of the law. If it were desired to form a mob to put a man to death for any other purpose, under this bill, of course, it would be entirely lawful.

Mr. McKELLAR. Of course, the Senator understands that it is not the intention of the Senator from California to include California in the measure. His idea is to include occurrences which take place a long distance off in other States.

Mr. SHORTRIDGE. No, Senator; I have expressed my views upon that subject and disavowed any such thought.

Mr. McKELLAR. I decline to yield to the Senator. I will yield to the Senator in a few moments.

Mr. SHORTRIDGE. The Senator must not put such words in my mouth.

Mr. CARAWAY. I say the very language of the bill would make it absolutely impossible for the Federal Government to interfere where a riot had occurred and life had been taken unless the riot or mob sought to accomplish one of two purposes, either to punish a man for a crime or to prevent the commission of a crime.

Mr. McKELLAR. Apparently the Senator from Arkansas is entirely right in that contention. I have not examined the language carefully, but I think that is the purpose in view.

Mr. CARAWAY. If I may be permitted just a word further, the Senator from California—and I have a great liking for him; he is one of the most delightful men I know—gave a reason just a moment ago for thinking that this proposed law might be constitutional, saying in effect that he thought the Supreme Court would reverse itself and agree with him.

Mr. McKELLAR. I wish to say to the Senator from California, then, that he ought to start out by first converting the Republican members of his own committee. I should like for him to do that. If he could get the Republican members of his own committee to agree with him as to the constitutionality of the measure we would have more respect for his views about the Constitution.

Of course, we all know the kindly disposition of the Senator from California. He is a very great friend of the colored man. His purpose is to endeavor to do something for the benefit of this so-called downtrodden race. I wish to say to the Senator that I know a great deal more about the colored race than does he. I was born and reared amongst them; I have a great liking for them; I believe that equal and exact justice ought to be done to them; I would not have an injustice done them; I do not believe in lynching any more than does the Senator from California; I do not believe in illegal executions any more than does the Senator from California; I do not believe in the disregard for any law any more than does the Senator from California; I believe that the laws ought to be upheld; but we can only uphold the laws by standing for the Constitution and for law all along the line. We should stand for the Constitution in this body. We are recreant to our duty when we are willing here to set aside our Constitution for the benefit of some particular or pet measure in which any Senator or Senators may be interested. I believe that if the Senator from California would confer with his colleagues on the committee, listen to what they have to say with an open mind, disregard his love for the colored race, and for a few moments think only



of his duty as a United States Senator to uphold the Constitution of this Republic, he would come nearer withdrawing this bill than he would undertaking to forward its consideration.

Mr. SHORTRIDGE. Mr. President—

Mr. McKELLAR. I yield to the Senator from California.

Mr. SHORTRIDGE. Mr. President, merely to respond to a thought, and it was a good thought, of the Senator from Arkansas [Mr. CARAWAY], it is quite conceivable that the language to which he refers in the bill might well be amended, might well be extended. Months ago my attention was called to that very point, I think by the senior Senator from Tennessee [Mr. SHIELDS].

I merely wished to remark that.

Mr. CARAWAY. Mr. President—

Mr. McKELLAR. I yield.

Mr. CARAWAY. I should like to ask the Senator from California if he would like also to prevent their having an open season for shooting preachers up in New Jersey?

Mr. SHORTRIDGE. I do not like to answer that question, because my father and my grandfather each was a preacher.

Mr. CARAWAY. The Senator does not think they ought to have been shot just because they preached, does he?

Mr. McKELLAR. I want to ask whether the Senator agrees that it was proper some time ago to have murdered a man by the name of William Desmond Taylor in Los Angeles, Calif., the Senator's own State? I take it the Senator does not. The crime has gone unwhipped of justice.

Mr. SHORTRIDGE. Oh, Mr. President, I think this colloquy has fallen below the level which should characterize a debate on such an important subject.

Mr. McKELLAR. The Senator may think that, but I should be glad if he would answer the question. He does not approve of that crime?

Mr. SHORTRIDGE. Why, certainly not.

Mr. McKELLAR. Of course the Senator does not. He owes it to himself to answer that question in that way.

Mr. SHORTRIDGE. Right here, and for the last time, let me say—

Mr. McKELLAR. One other question. The executive authorities of California have not prosecuted the murderer of Mr. Taylor, have they?

Mr. SHORTRIDGE. Yes; they are all in active prosecution. The criminals may not yet have been apprehended.

Mr. McKELLAR. Has not that crime gone unwhipped of justice up to this day?

Mr. SHORTRIDGE. Up to date; yes.

Mr. McKELLAR. Is the Senator willing to include in his bill such crimes as that committed in the case of Mr. Taylor?

Mr. SHORTRIDGE. I am willing to make this law applicable in situations such as this—

Mr. McKELLAR. Just one moment, now. I am asking a question about the Taylor case.

Mr. SHORTRIDGE. That is a question that can not be answered categorically, "Yes" or "No." I answer the Senator that where a man is deprived of his life or his liberty or his property without due process of law, or where he is denied the equal protection of the laws by a State of the Union—be it my own, California, or yours, Tennessee, for which I have an affection—in such a case, where the State is impotent, or where it neglects, fails, or refuses to protect the citizen of the United States and insure to him the equal protection of the laws, there I claim—I may be wrong, Senator—

Mr. McKELLAR. I am quite sure the Senator is.

Mr. SHORTRIDGE. Now, that is not an interruption which I make to gentlemen. I say out of a certain spirit of humility that I may be wrong, but I think the Constitution empowers the Congress, representing the Government, to legislate along the lines of this bill. I think so; and when the time comes I propose to enter into the discussion and make good my views.

Mr. McKELLAR. What time limit would the Senator put on failure to execute the laws?

Mr. SHORTRIDGE. The bill there recites it—where the State refuses, neglects, or fails—

Mr. McKELLAR. For how long?

Mr. SHORTRIDGE. I do not have in mind the language of the bill. I will not undertake—

Mr. McKELLAR. Outside of the bill, then, how long would the Senator think was a reasonable time for the failure of the State authorities to continue before the National Government should step in?

Mr. SHORTRIDGE. That depends always upon each case, the facts and the circumstances surrounding a case. The bill requires an allegation that the State has failed to proceed with due diligence to apprehend and prosecute, and the bill requires proof of that allegation by a preponderance of evidence.

Mr. McKELLAR. What would the Senator call a reasonable time? It is his bill.

Mr. SHORTRIDGE. My answer is that that depends upon each particular circumstance, each particular case.

Mr. McKELLAR. You would have to enumerate them in a law in order to make it effective.

Mr. SHORTRIDGE. No; you would have to enumerate them in the way provided in this bill.

Mr. McKELLAR. Would a year be ample time in the case of the crime of murder?

Mr. SHORTRIDGE. It might be in some cases.

Mr. McKELLAR. It has been more than a year, I believe, since Mr. Taylor was murdered; and the authorities of California have not yet done anything, so far as the public knows, toward punishment for that crime. No one has been arrested for it.

Mr. SHORTRIDGE. One moment.

Mr. McKELLAR. How long will it be before we will go to California, the Senator's own State, for failure to execute the criminal laws of that State?

Mr. SHORTRIDGE. If the Senator will turn to the bill, he will see there must be a failure of the State to make any effort along the line of apprehending and prosecuting. There may have been crimes committed in the Senator's own State 10, 20 years ago, or less. Crimes are committed, unfortunately, in all our States.

Mr. McKELLAR. Yes.

Mr. SHORTRIDGE. But if the Senator will note the language of the bill, and give heed to the plan or framework of the bill, he will find answer to his question. Section 4, as amended, answers your question.

Mr. McKELLAR. The Senator can answer it better than the bill could. We would like to know the purpose of the bill. The cold language of a bill does not always answer a question of that kind. It seems to me that it is a perfectly proper question. Would the failure of a State for one year to execute the law by apprehending the criminal and bringing him to justice justify the United States Government in taking action about it?

Mr. SHORTRIDGE. Again I answer, a definite time can not be fixed as applicable to a suppositive case; it depends upon so many facts and circumstances.

Mr. McKELLAR. Well, I will leave that subject. I want to ask the Senator another question.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. McKELLAR. Just one moment, and then I will yield. How does this affect the Japanese in the Senator's State?

Mr. SHORTRIDGE. I do not hesitate to answer. This proposed law has no regard for persons. It would affect all races and all men, whether they be Japanese, whether they be Chinese, Negroes, or any other of the races of men.

Mr. McKELLAR. Would it affect white people at all?

Mr. SHORTRIDGE. Unquestionably it would.

Mr. McKELLAR. It would apply to them?

Mr. SHORTRIDGE. It applies to all men, because, as I understand, all men are equal in America—

Mr. McKELLAR. I disagree with the Senator there, absolutely.

Mr. SHORTRIDGE. All men are free.

Mr. McKELLAR. Does the Senator think that the Japanese and Chinese of California are the equals of the white people of California?

Mr. SHORTRIDGE. In their—

Mr. McKELLAR. I should like to have a categorical answer to that question.

Mr. SHORTRIDGE. I will answer the Senator.

Mr. McKELLAR. The Senator has affirmed here on the floor of the Senate that all men in America are equal. I ask him if the Chinese and the Japanese in his own State are the equals of the white people of his own State?

Mr. SHORTRIDGE. I answer the Senator, if he understands my language—he seems to have a knowledge of language—that all men in America are equal in their rights. They are unequal in their abilities, in their endowments. Some are geniuses, some are fools, but in the way of legal rights—

Mr. McKELLAR. Sometimes I am afraid so.

Mr. SHORTRIDGE. One moment; the Senator forces a categorical answer. I can answer him anywhere, I trust. I will endeavor to do so. I remember the Declaration of Independence. The Senator seems to have forgotten it.

Mr. McKELLAR. No; I have not forgotten it.

Mr. SHORTRIDGE. I remember who wrote it—the great and immortal Jefferson—and I believe in his principles. "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain

inalienable rights, that among these are life, liberty, and the pursuit of happiness." I say that in America all men are born free, and under our Constitution all born under the jurisdiction of the United States are citizens of the United States. I emphasize that this bill is not intended as an encroachment upon the rights of States. It is not intended as an invasion of States. It is not intended to subvert the institutions of any State.

Mr. McKELLAR. Just one moment.

Mr. SHORTRIDGE. It is in cooperation with and in assistance of the States.

Mr. McKELLAR. I am afraid the Senator does not understand the purport of his own bill if he says that this is not an invasion of the rights of the States.

Mr. SHORTRIDGE. I do understand it.

Mr. McKELLAR. After all this, and after the Senator's promise several times to give me a categorical answer as to whether he believes that the Chinese and the Japanese of California are the equals of the white people of California, we note that he has not answered that question.

Mr. SHORTRIDGE. Does the Senator mean racially? Equal racially?

Mr. McKELLAR. I mean just exactly what the Senator said. The Senator understands language.

Mr. SHORTRIDGE. Why, certainly.

Mr. McKELLAR. I am sure he does. I want to know if the Senator believes that the Japanese and the Chinese of his State are the equals of the white people of his State?

Mr. SHORTRIDGE. Under the law of this Republic a child born in California or in Tennessee is a citizen of the United States. Whether that is wise or not, that is the law. Whether intellectually and morally he is equal or not is another question. I am not dealing with that matter now.

Mr. McKELLAR. The Senator certainly has some opinion about it.

Mr. SHORTRIDGE. What does the Senator mean when he asks whether the Chinese or the Japanese is equal to the Caucasian? What does he mean—in legal rights here in America or intellectually?

Mr. McKELLAR. The Senator stated, with a great deal of gusto just now, that in his judgment all men of the United States were equals; that all races and all peoples in the United States were equal. I am asking him a categorical question, and I ask him to answer "yes" or "no," and then make any explanation he may see fit, under the well-known rules of taking evidence, with which he and I have long been familiar. Are the Japanese and the Chinese of the Senator's own State the equals of the white people of that State?

Mr. SHORTRIDGE. May I ask the Senator a question?

Mr. McKELLAR. The Senator can ask me as many questions as he desires. I am not afraid to answer questions.

Mr. SHORTRIDGE. All right. Just let the Senator answer this, and then I will answer his question.

Mr. McKELLAR. Oh, well, if the Senator is going to put a price upon his answer, if his answer is so important that he has to put a price on it, let him put a price on it.

Mr. SHORTRIDGE. When the Senator asks me that question, does he refer to equality of legal rights or to racial equality?

Mr. McKELLAR. I am referring to all of those things that we know in men—in human beings.

Mr. SHORTRIDGE. Ah!

Mr. McKELLAR. Is it a fact—and I challenge the Senator to say so—that the Chinese and Japanese of his State are the equals of the white people of his State?

Mr. SHORTRIDGE. I can answer the Senator if the young gentlemen in the gallery will restrain their laughter.

Mr. McKELLAR. I excuse them for laughing, because they laughed at me a while ago when I unwittingly made an error, and I do not object to their laughter at all.

Mr. SHORTRIDGE. Racially, I do not think the Chinese race or the Japanese race is equal to our branch of the Aryan race of men, though I have in mind some great Chinese. There are three great names that have been mentioned by reverent men; perhaps the Senator will admit that Confucius was a rather great Chinaman.

Mr. McKELLAR. He is dead.

Mr. SHORTRIDGE. One moment, please. The Senator has asked me a question.

Mr. McKELLAR. I beg the Senator's pardon.

Mr. SHORTRIDGE. I do not wish to exalt your race or mine. We belong to the same branch of the human family. I think we are superior in many things. I think I may say that

with deference to the Chinese race and the Japanese race and other races.

Mr. McKELLAR. Would the Senator go so far as to include the colored race in that?

Mr. SHORTRIDGE. I think that is so, though I add that there have been some great and splendid men who were pure negroes. Has the Senator never heard of Toussaint L'Ouverture? I have here a book of poems which do honor to any race, poems written within a few years by colored men of this Nation.

Mr. McKELLAR. Then, as I understand the Senator, he has some doubts about colored men being inferior, like he has some doubts about the constitutionality of this bill.

Mr. SHORTRIDGE. No; what God has made I am not now appraising, if the Senator gets the force of my meaning.

Mr. McKELLAR. I do not know whether the Senator is in partnership or not; but I hope I get his meaning.

Mr. SHORTRIDGE. I am not appraising races of men at this moment, but, as the Senator knows, a Chinese or Japanese born in California or in the Hawaiian Islands is a citizen of the United States. Those who have come here under treaty rights have only those rights which are affirmatively set down in the treaties. There are many Japanese in California who are not equal in rights to native-born Japanese, not equal in legal rights to native white children or native-born negro children, because their rights are limited by the treaties between us and Japan. So that racially I do not think the races are equal, speaking generally. Legally they may be, under certain circumstances, as I have said.

Mr. McKELLAR. Would the Senator take away the legal protection of the laws simply because the Japanese were not citizens of this country?

Mr. SHORTRIDGE. Certainly not. All here under treaty must be protected by our laws, and all born here are citizens under the Constitution.

Mr. McKELLAR. But the Senator is not willing to bring William Desmond Taylor's murderer to justice, under the terms of the statute, because the Commonwealth of California has, for perhaps more than a year now, failed to have that murderer prosecuted.

Mr. CARAWAY. Before the Senator gets away from his statement, California, by its laws, took away the right of Japanese who were not born in America to own lands in California, and it is a serious question whether it was within the treaty power or not. The Japanese denied it. But California denied to the Japanese in California any right under the law to own property.

Mr. SHORTRIDGE. Oh, Senator—

Mr. CARAWAY. Real estate.

Mr. SHORTRIDGE. Agricultural land. The treaty is specific on that.

Mr. CARAWAY. Japan never agreed with you as to what the treaty was.

Mr. SHORTRIDGE. Japan does not permit Americans to occupy such lands, and our treaty specifically limits the character of real property which the Japanese may own in California.

Mr. CARAWAY. The Legislature of California went a long way to deny the Japanese any rights in California they could take away.

Mr. McKELLAR. Inasmuch as the Senator from California is so very greatly interested in the rights of certain people in other States, I want to ask him this question: Does he approve of taking away the rights of Japanese in his own State to own agricultural lands?

Mr. SHORTRIDGE. I certainly stand upon the treaty, and I think it was wise.

Mr. McKELLAR. I am not asking that.

Mr. SHORTRIDGE. I answer the Senator, then, if I get his question, no. But the treaty does not give the right to a Japanese to own land for agricultural purposes, and that is the law.

Mr. McKELLAR. Then, as I understand, the Senator would take away from the Japanese of his State the right to own agricultural land?

Mr. SHORTRIDGE. I would not take away a right which they did not possess.

Mr. McKELLAR. The Senator would prevent them from acquiring the right?

Mr. SHORTRIDGE. I would.

Mr. McKELLAR. And he is in favor of depriving the Japanese of his own State of the rights accorded to all other citizens of that State?

Mr. SHORTRIDGE. Oh, no; I stand upon the treaty. The treaty gives no such rights, and I would not confer them.



Mr. McKELLAR. I understand that the Senator is standing upon the treaty. He is standing upon the treaty, just as some of us, possibly misguided men, are standing upon the Constitution of the United States, because we love it and revere it. We say under it you have no right to legislate on this subject.

Mr. SHORTRIDGE. I respect your views.

Mr. McKELLAR. You say you are willing to deprive a very large portion of the Japanese men and women of your State of the right even to hold land.

Mr. SHORTRIDGE. No, Senator; I would not deprive them of the right. They have no such right.

Mr. McKELLAR. They have been deprived of it.

Mr. SHORTRIDGE. No, no, Senator; they have not.

Mr. McKELLAR. Statutes have been passed in California prohibiting them from buying lands in your State.

Mr. SHORTRIDGE. With respect, the statutes follow the treaty. The treaty gives no such rights, and we have not conferred any such rights, and I would not confer any such rights.

Mr. McKELLAR. If the Senator from California knows anything about the laws of his own State, he must know that the Legislature of California passed a law prohibiting Japanese from thereafter owning any agricultural lands. Up until that time, under your law and under your constitution and under treaties, the Japanese did own agricultural lands, and by this law of your State and your legislature, which you are now upholding, these colored Japanese living in your State, entitled, as you say, to the equal protection of the law, are being deprived of one of the rights of a human being—that is, to own land when he is there—and the Senator understands it.

Mr. SHORTRIDGE. If it becomes necessary a little later, I will explain exactly what the law in California is and what the decision of our courts is. Let us understand one another.

Mr. McKELLAR. I am sure I understand, and if the Senator does not recall it, I will take long enough time to recall the matter to the Senator.

Mr. SHORTRIDGE. If the Senator will excuse me—

Mr. McKELLAR. I will yield to the Senator, of course, but I will call to his attention the fact that I am not going to let him escape it.

Mr. SHORTRIDGE. I do not want to escape anything. When we go at it earnestly and sincerely we will arrive at the truth.

Mr. McKELLAR. We are very sincere, because the Senator has not a ghost of a show of passing his bill; we are not going to let it pass.

Mr. SHORTRIDGE. The record is made; let it be as it is. There is a fundamental proposition of law upon which California has stood, and which I think is sound. An alien here in America, whether he comes from England, or France, or Italy, or Japan, or China, from any land, has just such rights as are guaranteed to him by way of treaty between this country and his. It is a very easy process of reasoning to discover what his rights are. We naturally turn to the treaties. Turning to the treaties and conventions between this country and Japan—and we know why it was so—we find that there is no right given to the Japanese to hold real property or land in California for agricultural purposes. That being so, we are within the treaty when we legislate along that line, as we have.

Mr. McKELLAR. Mr. President, I want to say, for the benefit of the Senator from California, who seems to have forgotten recent history, that instead of the Japanese not being deprived of the right to own agricultural lands in his State, we all recall, I thought everybody recalled, that during the administration of the late President Roosevelt, President Roosevelt undertook, by the use of his friendly offices, to prevent the Legislature of California from depriving the Japanese of the right to hold agricultural lands in this country, and as I recall in the first instance he did prevent it, but later on, during President Wilson's administration, the Legislature of California did pass an act in which they deprived the Japanese of that right, and, by the way, I want to say to the Senator from California that I know something about the Japanese, and I know a great deal about the colored people, and the Japanese are just as worthy of having the rights of human beings as the colored people.

They ought all to be treated alike, and how easy it is for the Senator from California to come here and talk about the rights of colored people in other men's States, when in his own State his own legislature has already deprived a very large population in that State of the fundamental right to own lands in the State, or agricultural lands, to which I believe it is confined now. Why can not the Senator see the injustice that is being done the colored citizens there; and when I speak of colored citizens in California I am speaking of Japanese citizens? Why can he not see the injustice that is being

done the colored Japanese citizens of his own State before he undertakes to come out as the champion of the colored people all over the country? Should not his charity begin at home, where he could have an excellent play for that charity? I want to tell the Senate why the Senator does not do it. The Japanese do not have the right to vote.

Mr. SHORTRIDGE. It is unworthy of the Senator to impute that motive to me, and I resent it.

Mr. McKELLAR. I understand that, but we all know that the Japanese have no right to vote in California. They are not citizens, and they have no right to vote, and the other colored people of California have a right to vote.

Mr. SHORTRIDGE. We have a great many colored men and women in California, and they vote; but that is collateral. But the Senator should not impute to me motives of that kind.

Mr. McKELLAR. I want to suggest to the Senator that he look up the injustice that is done to these colored people in his own State before going out and seeking to have so-called injustices righted in other States.

Mr. President, no man believes more in the enforcement of the law than I do. No man is more opposed to lynching than I am. It ought not to take place. But there are crimes committed in every State, and this crime of lynching is not confined to the people of my section or to the people of any State. Some of the worst lynching crimes that have ever occurred in this country have occurred in States of the North. They are getting to be more prevalent in the North, in comparison to the total population, than in the South. Yet, when we rise here to uphold the Constitution of the United States, and when the Senator can find only 2 on a committee of 17, I believe, who are willing to uphold him, he comes here and wants us to pass a bill that is patently unconstitutional, which ought not to be passed. We should not deprive the States of their rights. We should not take away further rights of the States. We have perhaps gone too far in that direction already.

Mr. President, I am informed that it is now proposed to go into executive session, and with that understanding I will discontinue my remarks.

Mr. CURTIS. I would like to have the Journal approved first. If we can have a vote on the approval of the Journal I will move an executive session.

Mr. UNDERWOOD. Of course, I do not make any agreement about what will be done if we get into executive session, but will the Senator move an adjournment to-night if we should not reach any agreement?

Mr. CURTIS. It is my intention to ask for an adjournment. Of course I do not know what others will do.

Mr. CALDER rose.

Mr. McKELLAR. I do not yield the floor except for the purpose of moving an executive session or an adjournment. If the Senator from New York desires to have me yield to him long enough to present a matter, and it will not interfere with my occupancy of the floor, I am perfectly willing to yield to him.

Mr. CALDER. If I may I wish to report a resolution, and get consideration of it, to defray the funeral expenses of the late Senator WATSON.

Mr. UNDERWOOD. I made the statement that we were not going to transact any business, but of course I am not going to interfere with a matter of that kind. If the Senator wants to have the resolution considered by unanimous consent, let him go ahead with it.

Mr. CALDER. I ask unanimous consent that I may report from the Committee to Audit and Control the Contingent Expenses of the Senate the resolution which I send to the desk.

Mr. McKELLAR. I yield for that purpose with the understanding that it is not to take me off the floor.

Mr. UNDERWOOD. I suppose that can be done by unanimous consent.

Mr. WILLIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Ohio will state his inquiry.

Mr. WILLIS. I wonder whether it is possible to have an arrangement whereby we can adopt a resolution, and yet the Senator from Tennessee retain the floor. There are other Senators who would like to make some observations. The Senator can not retain the floor and the Senate proceed with legislative business. The Senator can yield the floor, but he can not hold the floor and exclude everybody else.

Mr. McKELLAR. I was asked by the Senator from Kansas to yield for an executive session.

Mr. CURTIS. I asked the Senator to yield for an executive session, and if he will do that, and we can approve the Journal, I will move to go into executive session.



Mr. McKELLAR. I will yield to the Senator for that purpose.

Mr. CURTIS. I ask that the Journal be approved.

The VICE PRESIDENT. The question is on the approval of the Journal.

The Journal was approved.

#### EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 17 minutes spent in executive session the doors were reopened, and (at 4 o'clock and 17 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, November 29, 1922, at 12 o'clock meridian.

### HOUSE OF REPRESENTATIVES.

TUESDAY, November 28, 1922.

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In token of our need and love, our heavenly Father, we wait in Thy presence. We see Thy mercy more brightly because of our unworthiness. Beholding Thy marvelous condescension, every heart brings its tribute of praise. O bless everyone and let morning arise upon every life. Give us the reach of soul that our standards of service, conduct, and character may receive the benediction of Thy favor. For the wonder of life we bless Thee. For the joys and blessings of our own dear land, we give Thee thanks. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### WITHDRAWAL OF PAPERS—SARAH F. BUTLER.

Mr. CHALMERS. Mr. Speaker, I ask unanimous consent that the papers pertaining to the pension of Sarah F. Butler, H. R. 8279, Sixty-seventh Congress, no adverse report having been made thereon, be withdrawn from the files of the House for the use of the Pension Department. The bill passed the House but did not pass the Senate. Under a recent ruling I understand that the pension may be granted without special legislation, and we want the use of the files for the Pension Department.

Mr. GARRETT of Tennessee. It is an individual case.

Mr. CHALMERS. Yes.

The SPEAKER. Is there objection?

There was no objection.

#### THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the merchant marine bill, with Mr. TILSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose an amendment, offered by the gentleman from California [Mr. RAKER], to strike out the section was pending. The question is on agreeing to the amendment.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk read as follows:

Amendment offered by Mr. RAKER: Page 23, line 6, strike out section 304.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. RAKER. Mr. Chairman, section 304, of course, goes back to sections 301, 302, and 303. As I said last evening, the statement of the proposition in the bill is seductive to those who hear merely the statement without having gone into the facts. The committee has had no hearing upon the matter. The matter was put in—and I accuse no one of any ulterior purpose. I feel, however, that I can advisedly say that when the American people comprehend, and they will shortly do so,

the purport of this attempted legislation, in addition to the other bad features of the ship subsidy bill, they will resent it very much. I feel safe in saying that the rest of the bad features of the bill combined can not equal the evils that are involved in this particular legislation under consideration.

Mr. JOHNSON of Washington. The gentleman says that no hearings were held. The gentleman knows that the House Committee on Immigration gave considerable attention to these features and to substitute features.

Mr. RAKER. I have here just what was said. There were but three hearings. They were executive and the proceedings were not recorded.

Mr. JOHNSON of Washington. Was not Mr. Lasker present?

Mr. RAKER. Mr. Lasker's statement was not taken down. Mr. Lasker came before the committee before this bill was ever dreamed of, and in executive session he told the Committee on Immigration what could be accomplished. I have investigated the facts, and I remember them distinctly. We have the statement of Mr. Henning, we have the statement of the attorney for the department, but not Mr. Lasker's statement before the Committee on Immigration. That was before the shipping bill started. It was intended to get the Committee on Immigration to report out and act upon this piece of vicious, iniquitous legislation, which everyone must admit is contrary to all of the treaties on commerce that we have to-day; and if you want to be fair and bring about an obliteration of the various treaties, why do you not make the same applicable to the importation of goods and abrogate all of the treaties between the United States and all foreign countries in respect to navigation? Why pick out the question of immigration, hoping, intending, thereby to give more labor, cheaper labor, to break down the immigration laws that have taken almost a half century to place on the statute books of this country for the purpose of protecting America. Then you wrap the American flag around you, as did the chairman of the committee when he closed his argument on this question when he said that the immigrants entering and leaving the ports will land on an American boat and will see the Stars and Stripes floating over them, and therefore feel better for having come across to America in an American boat.

Nevertheless, even so, it will help to destroy the country in which we live. There can not be any doubt about that. If you will look into it you will see already the hand intended to break down the immigration laws, because all of the forces and all of the powers behind the ship subsidy will be behind the maintenance of this plan, if by any possibility it can become operative after these various treaties are broken down.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. EDMONDS. As one of the men back of the bill I will say that I will not assist in breaking down the immigration laws.

Mr. RAKER. Oh, of course, it is easy to say that; but why have you not presented to the American people just what the facts are; why do you not come out openly and say that this is for the purpose of giving money to the shipping interests by virtue of bringing starving people from Europe to the United States, and having them become a part of this country? We already have over 10,000,000 now that we can not assimilate. Why do you not tell them that you want cheaper labor, and that all of the great organizations of this country are figuring and hoping that this bill will pass, to the end that we may undermine and do away with the strict immigration laws that we have to-day?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word.

Mr. EDMONDS. Mr. Chairman—

The CHAIRMAN. Does the gentleman wish to be recognized in opposition to the amendment?

Mr. EDMONDS. Yes, sir. Mr. Chairman, as I stated last evening, there are two particular sections which are opposed by foreign interests. One was this provision that forced the carrying on American vessels of 50 per cent of whatever immigration might be allowed by Congress. That is all this does. It says we abrogate so much of the treaties that may be in the road and allow American ships to carry their full share of immigration. That is all that it does.

Mr. RAKER. Will the gentleman yield?

Mr. EDMONDS. I will yield; the gentleman yielded to me.

Mr. RAKER. With the provision of the bill in force, it is an inhibition against immigration, namely, 50 per cent can not come in unless in American bottoms. Therefore, it violates all commercial treaties.



Mr. EDMONDS. I said that it did. This section calls for an abrogation of those treaties. That is true. I acknowledged it yesterday; I acknowledge it now.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. EDMONDS. Yes, sir.

Mr. GARRETT of Tennessee. Has the gentleman any assurance that any of these treaties will be abrogated if this is passed?

Mr. EDMONDS. I hope so.

Mr. GARRETT of Tennessee. Has this matter been submitted in any way to the State Department and any information received from that department?

Mr. JOHNSON of Washington. It is assumed that various countries which make a business of promoting the emigration of their peoples will resist these provisions. They will stand on the rights contained in the treaties that their nationals may travel without let or hindrance.

Mr. GARRETT of Tennessee. We all recognize, of course, that the Jones bill had provisions about the abrogation of certain treaties and two Presidents have announced that they would not undertake to enforce those provisions.

Mr. JOHNSON of Washington. But this is a division; it calls for one-half. This opens the way for negotiations on a 50 per cent basis; not a complete abrogation. Many countries which now send quotas under the 3 per cent limitation will likely accept the modification of 50 per cent. We have hopes that we will build up a way so that under American control the advantages will be on American ships.

Mr. DAVIS of Tennessee. If the gentleman from Pennsylvania will yield, in reference to this question of my colleague from Tennessee I will say that no representative of the State Department testified at the hearings in this case, and nobody undertook to deal with the diplomatic features of this, although several Members expressed several times a desire that representatives of the State Department appear.

Mr. EDMONDS. I acknowledge that no representative of the State Department came before us. The matter was referred to the Immigration Committee. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. BANKHEAD. I wish to submit some observations at this point.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and all amendments thereto do now close.

Mr. EDMONDS. I will amend it by saying close in five minutes.

The CHAIRMAN. Without objection, the motion is modified to close in five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. Mr. Chairman, in my opinion the provisions of this immigration title are not objectionable from the standpoint of what is hoped to be accomplished. Upon the contrary, I have stated from the time this bill was first considered that in substance I could see no possible objection to this indirect aid being given to the ship operators of the United States, but what I do wish to assert is that from the statements which have been already made upon the floor of this committee the provisions of this title will never become operative. It has been conceded here by the gentleman from Pennsylvania, and I believe by the gentleman from Washington, that all of these foreign countries whose nationals are interested in coming into this country are opposed to the provisions of this title. It is in effect conceded that treaties we have with foreign Governments will inhibit the enforcement of a statute of this character.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BANKHEAD. In a moment. What you have proceeded to do here is to hold out some assurance of a substantial aid to ship operators of the country, and we can well gather from the experience of section 34 of the Jones Act, about which you boasted so many benefits would come, that in all human probability it will never become effective.

Mr. JOHNSON of Washington. Let us assume, in the first place, immigration will be held at reduced figures, but if we have an American merchant marine and provisions are made for the proper carrying of immigrants, and then a provision made that those entitled to come into the United States may have their passage paid here—

Mr. BANKHEAD. Oh, the gentleman is assuming a good many contingencies.

Mr. JOHNSON of Washington. I am assuming what is in sight.

Mr. BANKHEAD. What I desire to call the attention of the committee to is to make a prophecy for the benefit of the

record—and I think the future will substantiate the prophecy—that no ship operator will ever receive any benefit from the provisions of this section.

In other words, you are padding this bill deliberately with a provision holding out a promise which you know will never be fulfilled.

Mr. JOHNSON of Washington. Have we fallen so low that we can not say that if immigrants are to come to the United States a portion of them shall come on American ships?

Mr. BANKHEAD. I agree that that ought to be done, but you know it will not be done under the provisions of this bill.

Mr. RAKER. We have solemnly declared in every commercial treaty with foreign countries that we will not discriminate against them.

Mr. BANKHEAD. Absolutely. You are flying in the teeth of the solemn agreement made by our Government with our foreign neighbors, with a provision which you admit here from the floor they will all combat when they come later to modify these treaties.

Mr. EDMONDS. The gentleman admits that it is a good thing if it can be accomplished.

Mr. BANKHEAD. In principle, I have no opposition to it.

Mr. EDMONDS. Yet you are not willing to try it.

Mr. BANKHEAD. I know you are doing an absolutely vain thing, and I think you recognize it.

Mr. GARRETT of Tennessee. Probably the gentleman from Alabama is trying to forestall any possible future impeachment proceedings. [Laughter.]

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn.

Mr. JONES of Texas. Mr. Chairman, I offer a preferential amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES of Texas: Page 23, line 9, after the word "islands," insert the following:

"Nothing in this title or in this bill shall be construed to permit or authorize a larger percentage or any greater number of immigrants from any foreign country than are permitted under the existing immigration laws of the United States."

Mr. EDMONDS. Mr. Chairman, a point of order.

Mr. LEHLBACH. I make a point of order against the amendment that it is not germane.

Mr. JONES of Texas. It is germane to the whole title. It is directly on the point that the title deals with, and it is offered at the end of the title.

The CHAIRMAN. As the Chair reads this section, it is simply a definition and nothing else.

Mr. JONES of Texas. It deals with commerce and with immigration. It starts off by stating—

As nearly as practicable, one-half of the total number of immigrants admitted into the United States in any fiscal year shall be transported in vessels—

The CHAIRMAN. The gentleman is not reading the section under consideration.

Mr. JONES of Texas. I offer this amendment, covering the entire title as well as the section. The amendment says—

Nothing in this title.

The CHAIRMAN. The gentleman offers the amendment while section 304 is under consideration, and for parliamentary purposes it must be considered as an amendment to this section which is under consideration.

Mr. JONES of Texas. I will offer it as a new section, then, as section 304a, if there is any question on that. It seems to me that as I offer it as the end of the title, if it is germane to the title it is admissible anyway; but if there is any question about it I will offer it as section 304a.

The CHAIRMAN. The Chair sustains the point of order as made against the amendment.

Mr. JONES of Texas. Then I offer it as a new section, 304a.

The CHAIRMAN. The Clerk will read the amendment.

Mr. LEHLBACH. Mr. Chairman, a point of order. Section 304 is now pending, and a new section is not in order to be offered at this time.

The CHAIRMAN. The Chair sustains the point of order.

Mr. JONES of Texas. Mr. Chairman, there is a motion pending to strike out the entire section. This can be offered as a new section before the vote on that is finally taken, can it not?

The CHAIRMAN. There is an amendment already pending. A new section can not be offered while that motion is pending.

Mr. JONES of Texas. All right. I will offer it when that is finished.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The question is on the amendment offered by the gentleman from California [Mr. RAKER].

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chairman appointed Mr. RAKER and Mr. LEHLBACH.

The committee divided; and the tellers reported—ayes 31, noes 66.

Accordingly the amendment was rejected.

Mr. JONES of Texas. Now I offer my amendment as a new section.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. JONES of Texas: Page 23, line 9, after the word "islands" insert the following as a new section:

"Nothing in this title or in this bill shall be construed to permit or authorize a larger percentage or any greater number of immigrants from any foreign country than are permitted under the existing immigration laws of the United States."

Mr. EDMONDS. Mr. Chairman, I make a point of order against the amendment.

Mr. JONES of Texas. Mr. Chairman—

The CHAIRMAN. The Chair is ready to rule. Does the gentleman want to be heard on the point of order?

Mr. JONES of Texas. Yes; I should like to be heard, unless the Chair is going to rule that the amendment is in order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JONES of Texas. This is offered as a new section. This title deals with the transportation of commerce by water, and starts out with a declaration—

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Wyoming.

Mr. MONDELL. There is nothing in the legislation that affects the present law, and there is no objection to the gentleman's amendment if it pleases him. It does not hurt anybody and it does not change the situation at all.

Mr. EDMONDS. I will withdraw the point of order.

The CHAIRMAN. The Chair is ready to rule. Does the gentleman withdraw his point of order?

Mr. EDMONDS. I will withdraw the point of order and accept the amendment.

Mr. LONDON. Mr. Chairman, I renew the point of order on the following ground—

The CHAIRMAN. The Chair sustains the point of order.

Mr. JONES of Texas. Mr. Chairman, before the Chair rules I should like to be heard on the point of order.

Mr. MONDELL. This is all post-mortem.

The CHAIRMAN. There is nothing in this title amending the immigration law.

Mr. JONES of Texas. The Chair was going to hear me for a moment, and I desisted on the theory that there was no point of order made. I think I am entitled to be heard. It seems to me this is a definition. According to the Chair's own statement, here is a definition as to the purposes of this title, and a definition of the purpose of this bill in so far as it affects immigration. Now, I offer an additional feature of that definition. The amendment I offer is simply an additional limitation on the operation and scope of the bill.

Mr. RAKER. Will the gentleman yield right there?

Mr. JONES of Texas. If the Chair please, the Chair's own statement is that this part of the act is a definition of the purposes or some of the purposes of the measure. If that be true, surely it is in order to still further limit those purposes.

My amendment is in the nature of a definition which purports to construe the meaning of this part of the bill. This is to limit the scope of the measure. It is an amendment which declares that it is not intended by this bill to destroy our immigration laws. If the position they take is true, that it does not affect immigration, there can be no harm done by putting in the definition the statement that it does not affect the immigration laws. Some very respectable authorities who have made a careful study of the proposed measure are fearful that this part of the bill will authorize the President through treaty to, in effect, abrogate the present percentage limit on foreign immigration. Surely it is in order to declare that this is not meant. My amendment will effectually prevent any such construction.

The CHAIRMAN. The Chair is ready to rule.

Mr. RAKER rose.

The CHAIRMAN. For what purpose does the gentleman from California rise?

Mr. GREENE of Vermont rose.

Mr. RAKER. There is just one statement by the Chair on the point of order that I would like to refer to.

Mr. GREENE of Vermont. Mr. Chairman, I thought I was recognized on that proposition. I wanted to ask the Chair if he would permit a suggestion by way of a parliamentary inquiry in regard to this matter?

The CHAIRMAN. The Chair will hear the gentleman on a parliamentary inquiry.

Mr. GREENE of Vermont. Would it be held to be germane to offer any paragraph in any bill with a few lines limiting the effect of those paragraphs, saying that they did not repeal other laws?

The CHAIRMAN. The Chair is perfectly clear in his own mind as to that.

Mr. GREENE of Vermont. Would the Chair pass on that? Would that be germane, Mr. Chairman?

The CHAIRMAN. The Chair is ready to rule.

Mr. JONES of Texas. Mr. Chairman, I wish to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Texas. Is it not always in order to offer an amendment limiting the scope of a definition in a bill? Here is a definition, and this is a limitation.

Mr. RAKER. Mr. Chairman, will the Chair permit me to make just one suggestion to the Chair?

The CHAIRMAN. The Chair is ready to rule on the parliamentary point of order. [Cries of "Regular order!" and "Rule!"] The subject of Title III is "Transportation of immigrants by water." No section of the title deals with the subject of quota or any other provision of the immigration laws. The gentleman from Texas [Mr. JONES] moves an amendment which, if it accomplishes anything at all—as to which the Chair has some doubt—it amends, modifies, or limits the immigration laws. If the gentleman's amendment be in order here, it would seem that by the same reasoning it would be in order to amend the immigration act in any other particular or to repeal it altogether. The Chair believes that the amendment is not germane, and therefore sustains the point of order.

Mr. SEARS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SEARS. In reply to the cries of "Regular order" and "Rule" on the other side I would like to inquire whether this is a railroad bill or a ship subsidy bill? [Laughter.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### TITLE IV.—COMPENSATION TO VESSELS OF THE UNITED STATES. DEFINITIONS.

SEC. 401. When used hereinafter in this act—

(a) The term "person" means individual, partnership, corporation, or association;

(b) The term "United States," when used in a geographical sense, means the several States and the District of Columbia;

(c) The term "citizen of the United States" has the meaning assigned to it by section 2 of the shipping act, 1916, as amended by the merchant marine act, 1920; and

(d) The term "board" means the United States Shipping Board.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 23, line 20, strike out the words "meaning assigned to it."

Mr. BLANTON. Mr. Chairman, the meaning intended by Congress with respect to this bill ought to be clearly conveyed in language that means just exactly what Congress intends and nothing more. Until it was disclosed on Saturday evening by the distinguished gentleman from Virginia [Mr. BLAND] that the meaning which the President gave to one of the most vital sections of this bill was not the meaning that the bill conveyed, I take it that practically every Member in this House was not aware of that fact. I want to call attention to the meaning that the President gave to the compensation feature of this bill in his address on Tuesday of last week.

Mr. MONDELL. Mr. Chairman, I hope the gentleman will confine his discussion to the paragraph now pending before the House.

Mr. BLANTON. I think the Chair will note that I am within the parliamentary rules in discussing my amendment, which determines the meaning of the language in the bill. I am sure I will not needlessly take up time.

The CHAIRMAN. The gentleman will proceed in order.

Mr. BLANTON. Concerning compensation, the President in his message used this language:

"That Government aid will only be paid until the shipping enterprise earns 10 per cent on actual capital employed, and immediately that when more than 10 per cent earnings is reached half of the excess earnings must be applied to the repayment of the Government aid which has been previously advanced. \* \* \* If success attends, as we hope it will, the Government outlay is returned."



I take it that every Member of this House understood that during the 10-year period all of the Government aid advanced to the shipping interests, if during the 10 years the earnings of any ship amounted to more than the compensation granted by the Government, half of the profits over 10 per cent should be returned to the Government until the advancement has been paid back to the Treasury. Well, under the terms of the bill, the gentleman from Virginia [Mr. BLAND] called our attention on Saturday to the fact that a ship could earn 9½ per cent for 9 years, and in addition to the 9½ per cent profit on his investment the shipowner would receive the subsidy granted by the Government, and then in the tenth year, if he earned 500 per cent profit, only the part for that year should be returned to the Government.

Now, that ought to be changed, and the reason why I raise the point now is because we are trotting along pretty fast on this bill and the debate is closing, and I do not know whether we will have time to consider that provision or not when it is reached, and we ought to make clear that whenever a subsidy is enjoyed by any ship and when the earnings of any particular year amount to such a sum in excess of 10 per cent profit as to permit the return of the subsidy, it ought to be returned in full, and not only in part, as here provided.

Mr. LEHLBACH. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from New Jersey moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, it is a pro forma amendment.

The CHAIRMAN. Then, without objection, the pro forma amendment will be withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will read.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 4025. An act to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire; and

S. 4036. An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department.

The message also announced that the Vice President had appointed Mr. BORAH and Mr. MCKELLAR members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of Labor.

#### THE MERCHANT MARINE.

The committee resumed its session.

The Clerk read as follows:

#### MERCHANT MARINE FUND.

SEC. 402. There is hereby established in the Treasury a fund to be known as the "merchant marine fund" (hereinafter in this title called the "fund"). The Secretary of the Treasury is authorized and directed to set aside in or for credit to such fund upon receipt, the following sums paid into the Treasury after the enactment of this act:

(a) All tonnage duties, tonnage taxes, or light money, paid under law in force at the time of the enactment of this act and under section 206 of this act;

(b) Ten per cent of the amount of all customs duties paid under law in force at the time of the enactment of this act or subsequently enacted; and

(c) All excess earnings paid by the owner of any vessel under the provisions of section 416.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 24, line 1, strike out section 402.

Mr. DAVIS of Tennessee. Mr. Chairman, this section provides for a merchant marine fund and the Secretary of the Treasury is directed to set aside to the credit of such fund 10 per cent of all the customs duties and all of the tonnage taxes and light money and then any refunds that may be made. This is for the purpose of avoiding appropriations. It is for the purpose of camouflaging the situation. Every other department of this Government, every other bureau of this Government, is required, in order to procure annual appropriations, to first go to the Budget Committee and present its

estimates, give reasons for it, and then if they get by the Budget Committee, it goes to the Appropriations Committee of the House, and the Appropriations Committee summons witnesses and examines and cross-examines and investigates, and generally culls the estimates, and when they report an appropriation for expenditures in the department for the ensuing fiscal year the appropriation bill must be passed by the House, passed by the Senate, and signed by the President.

That is true with reference to every other department of the Government, but not so with these favored shipping interests; an exception must be made in their case; the Shipping Board must be excused from appearing before the committee and answering questions and being subjected to cross-examination. That is the purpose of it. I want to know if Congress is going to fall for anything of that kind. I want to know if this Congress is going to abdicate in favor of Albert D. Lasker. I want to know if it is going to surrender its right conferred upon it by the Constitution. That is what it means. It means to surrender not only for a year, but permanently, because I shall call to your attention and move to strike out a provision on the next page which permanently appropriates these funds for the purpose stated.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. DAVIS of Tennessee. I will.

Mr. MOORE of Virginia. Does not this provision in effect not only discredit the Appropriations Committee but the Budget system that we have recently adopted?

Mr. DAVIS of Tennessee. Absolutely; the Budget system which has the indorsement of both parties, which has the indorsement of the President, and which applies to every other department of the Government. I can not understand why the members of the Appropriation Committee are willing to surrender this power to the Shipping Board? Has Mr. Lasker got you all hypnotized? What is the matter with this Congress that it is willing to make such an extraordinary exception in the interest of this one board?

Mr. SEARS. Will the gentleman yield for a suggestion?

Mr. DAVIS of Tennessee. Yes.

Mr. SEARS. It not only does that, but the paper of last night states that there is a loss in tax receipts of \$1,400,000,000 less than the amount collected last year.

Mr. DAVIS of Tennessee. Yes. Then, if you are going to pay these subsidies, why not pay them by annual appropriation? Let the Shipping Board, or whatever bureau performs that function, appear before the Budget Committee and then before the Appropriations Committee, put in their estimates as to the amount of subsidies they intend to pay for the ensuing year according to the contracts they have entered into. It was argued, even by the President, that during the first year they would not need over \$15,000,000 for that purpose. And yet this bill in the section I move to strike out provides that there shall be put into the merchant marine fund immediately 10 per cent of the customs duties, which alone will amount to \$45,000,000 per annum, and the tonnage dues which will amount to over \$4,000,000 additional. Why do they want \$49,000,000 paid into the fund annually if they are only going to pay out \$15,000,000 the first year and \$30,000,000 each subsequent year as claimed by the President?

Mr. KIRKPATRICK. Mr. Chairman, I want to call the attention of the committee to the fact that the amendment proposed by the gentleman from Tennessee aims to strike out an essential provision of the bill. This fund necessarily is bound up with the appropriation contained in section 403. It is absolutely necessary to the success of this bill that we be able to assure the men whom we hope to induce to go into the shipping business that the payments provided for by the shipping contracts are going to be continued. The gentleman from Tennessee as a lawyer and any gentleman here as a business man would not advise or permit anyone in whom he was interested to go into the shipping business and invest his money in the construction or purchase of a vessel with nothing more than the assurance of an annual appropriation by Congress.

Mr. LEHLBACH. Will the gentleman yield?

Mr. KIRKPATRICK. I will.

Mr. LEHLBACH. Is it not a fact that such funds are in existence where they involve contracts with reference to good roads, the disability fund, and so forth?

Mr. KIRKPATRICK. I was just coming to that. This provision establishing a fund is a mere matter of bookkeeping, but the vital provision is the appropriation. No money can be paid out of the Treasury except such as is under contract by the board under these 10-year contracts that have been provided for. That is the only way in which money can go out of the Treasury. The only inquiry when they come to investigate would be, "Has the contract been made? Is the United States



bound to pay the money?" If it is, then the good faith of the Government is pledged to the payment of that money.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. KIRKPATRICK. Yes.

Mr. DAVIS of Tennessee. Does it not authorize the Shipping Board to enter into contracts, and would not they be authorized to say to the Appropriations Committee each year that they had made the contracts necessary to pay the subsidy and that would be used under the contract?

Mr. KIRKPATRICK. The situation would be the same. The Appropriations Committee would make the appropriation to meet the contracts. If this fund is not covered by a contract it does not pass out of the Treasury of the United States. If the fund appears to be more than is necessary to meet the obligation of the contract it is still in the control of the Government.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. KIRKPATRICK. Yes.

Mr. HARDY of Texas. Do not we make an annual appropriation every year under the general authorization to take care of sick and wounded soldiers? Do not we make an appropriation every year? What more sacred is there in this than in that?

Mr. KIRKPATRICK. This is a proposition where we are going to try to induce people to invest their money in large amounts, and we must, in my opinion, assure them that they are going to get what they bargained for. That is the proposition in this appropriation feature of the bill. I feel it is absolutely necessary and vital to the bill.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SUMNERS of Texas. Mr. Chairman and gentlemen of the committee, an examination of the features of this section discloses the very remarkable fact that the Government of the United States is doing with reference to the Shipping Board what bankrupt Governments sometimes do. When a country has gotten itself into such a position that its pledged word is no longer received by its creditors it makes an assignment of its revenues. What do we propose to do here? We propose to make an assignment, the Government of the United States does, to the Shipping Board of 10 per cent of its receipts from its customs dues, certain tonnage duties, taxes, and so forth, and excess earnings paid in by shipowners. That is what is proposed in this bill.

Mr. KIRKPATRICK. Mr. Chairman, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. KIRKPATRICK. Does not the gentleman think that is too broad a statement, in view of the fact that nothing goes out of the Treasury except such measures as are contracted for under the contracts to be made?

Mr. SUMNERS of Texas. It is proposing that the sovereign Government of the United States, speaking through its Congress, shall in effect make to the Shipping Board an assignment of the items enumerated. You assign, you take from the control of the people, you take from the control of future Congresses the moneys received from the duties, tonnage taxes, light money, and so forth, enumerated. Let me read section (b):

(b) Ten per cent of the amount of all customs duties paid under law in force at the time of the enactment of this act or subsequently enacted; and

(c) All excess earnings paid by the owner of any vessel under the provisions of section 416.

The Secretary of the Treasury is directed by this section to segregate and set apart these funds for a minimum period of 10 years from which to pay these ship subsidies.

I realize that in a matter of this sort, where party lines are sharply drawn, the strategy of the situation from the Democratic standpoint, to be entirely candid, is to have this bill in as bad condition as we can have it when we come to the final vote on the measure, which we want to kill.

Mr. EDMONDS. For that reason the gentleman thinks we should vote down all of these amendments?

Mr. SUMNERS of Texas. No; let me complete the statement. That is a candid statement of the strategy of the situation, but there comes times in the consideration of important legislation when the duty of a legislator rises above the question of party strategy and legislative strategy. I do not believe that we can afford, as the spokesmen of this great Republic, solemnly to assign 10 per cent of the revenues of the United States received as customs duties to the Shipping Board. I do not believe it is good legislative policy, I do not believe it is wise governmental policy, to create special funds as is here proposed from which certain obligations of the Government shall be met. The revenues of the United States as a general proposition ought to be covered into the Treasury and the money expended

by the United States ought to be appropriated from the Treasury by its regular appropriating agencies, namely, the Congress, and I hope that irrespective of party affiliations, or of your own attitude toward this general legislation this provision will be stricken from the bill. [Applause.]

Mr. LEHLBACH. Mr. Chairman, it may as well be understood that the creation of this fund is the keystone of the arch of this bill. The adoption of this amendment will destroy the entire bill. The proposition of creating a fund is not a new one in the conduct of our business. Wherever the United States as a Government enters into contractual obligations with any of its citizens in order to guarantee the good faith and credit of the Government to carry out its contractual obligations, the money necessary for that purpose is set aside, and that is the usual and ordinary procedure. That is the procedure that was adopted by the Congress when the retirement fund was created for the civil service employees. These employees contributed 2½ per cent of their salaries, and the Government contributes whatever is necessary to pay the retirement annuities. That money thus contributed by the Government to the employees and the money paid out to the annuitants does not come from the Treasury by appropriation, but it is in a fund created by the Congress for that purpose in order to guarantee to the employees that no subsequent legislation will destroy the contract under which they have changed their financial positions.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. LEHLBACH. Not at this point. The same is true with the contracts entered into with the various States with regard to good roads. The same is true with regard to the War Finance Corporation fund. It is the ordinary procedure. An attack on this fund is an attack on the essence of this bill. If you kill the fund, you can not have any subsidy; if you kill the fund, you can not have this bill, because this bill is useless without it, and we may as well understand it now. A vote for the amendment is a vote to kill the bill before we have finally considered it, and a vote to sustain it is a vote to further consider this bill and vote at the conclusion of its consideration on the bill as it then stands. I yield to the gentleman from Texas.

Mr. SUMNERS of Texas. The gentleman does not contend that with regard to the fund he has just referred to, that the Federal Government makes an assignment of part of its revenues, does he?

Mr. LEHLBACH. I do not understand the gentleman.

Mr. SUMNERS of Texas. The money is appropriated regularly from year to year. The contribution of the Federal Government to pay the insurance of the Federal employees to which the gentleman has just referred is made from year to year by ordinary appropriation, is it not?

Mr. LEHLBACH. I do not know whether it will be or not. No contribution by the Government has yet been made; but I assume that when it comes about that the Government contributes to the retirement fund, some system of automatic appropriation for the fund will be devised, and that the employees who retire will not be left to the whim of any Congress or to the failure of any particular appropriation bill, as sometimes happens.

Mr. SUMNERS of Texas. No such segregation of any particular part of the Government revenues is even contemplated in the legislation to take care of the pension, is it?

Mr. LEHLBACH. A segregation of the moneys that are paid into the Treasury by the employees is provided for; and "what is sauce for the goose is sauce for the gander."

Mr. HARDY of Texas. Mr. Chairman—

Mr. LINTHICUM. Mr. Chairman—

Mr. EDMONDS. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Pennsylvania rise?

Mr. EDMONDS. I would like to move that all debate close on this section.

Mr. BANKHEAD. I hope the gentleman will not object to a fair debate.

The CHAIRMAN. The gentleman from Maryland has been recognized.

Mr. LINTHICUM. Mr. Chairman, it is difficult indeed to discuss in a short speech this subsidy bill, or, as others choose to call it, this merchant marine bill. It is fraught with so many angles of discussion, so problematical, and of such vast importance to the American people it would require not alone several long speeches but months of study to properly place the matter before the people of our country. The sad part of it is, however, that after all discussion and all study has been completed the result arrived at could not be more than problem-



atical. That the enactment into law of this bill would establish a great departure in American legislation and in appropriations of Congress is very certain.

We are confronted by suggestions upon this bill presented by the President of the United States, Mr. Harding, and the chairman of the Shipping Board, Mr. Albert Lasker. Mr. Lasker is very fond of discussing matters, as we often hear it expressed in business parlance, of selling an article or a subject. Mr. Lasker is endeavoring to sell to the American people this proposal of his for a ship subsidy to be provided by this legislation. It is very certain that Mr. Lasker has sold himself to the proposition, and likewise has our President. That he or the President could ever see but one side of this great proposition is positive.

The war was concluded in 18 months after the entrance of America into the fray. Vast millions were expended in order to bring it to a conclusion, and while very expensive indeed, the expense can not be considered when we realize the thousands of human lives saved, the thousands of young men who were saved from being cripples or sightless for the balance of their human lives, the vast Treasury which was saved by quick action by reason of these consequent large expenditures.

America has nothing to regret in her large expenditures when it is considered what she accomplished. The point I am making, however, is whether we should not charge to that vast expenditure for war purposes the cost of the ships of some \$3,000,000,000, or a large part thereof, which we are endeavoring to dispose of. We must carry ourselves back to the time when England cried to America, saying "Our backs are against the wall." We must likewise carry ourselves back to the time when the submarines of the German Empire were sinking the allied ships so rapidly that it appeared enough ships could not be constructed to keep up the commerce of the nations and carry the supplies for the armies. Then it was that America launched upon the greatest shipbuilding era in the history of the world. The cry was "Ships," and "More ships," and so this mighty merchant marine was rapidly constructed and served its purpose. To-day it is estimated we have about 1,400 steel ships with an aggregate gross tonnage of 7,000,000—that is, about 500,000 in passenger ships, about 550,000 in tankers, and about 6,000,000 in freighters, making the total of 7,000,000 tonnage. Of this vast tonnage there are about 421 ships in operation, the other two-thirds being tied up. For this great fleet it is estimated that if they could be sold at all they would not bring over \$200,000,000.

The question further is, Can they be sold, which is doubtful, and if they can not be sold, then what are we to do with them? Thus we reach the proposal of Mr. Lasker that we establish a departure by creating a ship subsidy for the purchasers of these ships and for the owners and builders of ships generally.

The proposal presented by this bill is that we sell these ships for \$200,000,000, lend \$125,000,000 to recondition those ships or build others, and in 10 years provided in this bill to pay to the shipowners in subsidies \$750,000,000 or about \$75,000,000 per year. That is practically giving the ships away and presenting in 10 years to the people who purchase them some \$500,000,000 for doing so and for operating them. That is not all; it is proposed to create a revolving fund of \$125,000,000 and to loan this to these shipowners at 2 per cent interest to the extent of two-thirds of the valuation of the ships and for 15 years.

What will the farmer say when he considers that under his farm-loan legislation he is compelled to pay 6 per cent interest and then only to receive a loan of 50 per cent on the market valuation of his farm? The farmer is to pay taxes on his farm and on the income derived therefrom, but this bill provides that the shipowners shall be relieved from taxation, provided the amount which would otherwise be payable as taxes is invested in ship construction. Then, too, the man who ships on these vessels is to receive a reduction on his income taxes equal to 5 per cent of the freight paid. The result is that while the President in his address to Congress led the people to believe that this was only an expenditure from the Treasury of some \$30,000,000 per year, Mr. Lasker himself said in his testimony that the indirect benefits were more valuable than this direct subsidy benefit, and it has been estimated that the expense direct and indirect to the people of this country will exceed \$75,000,000 each year, as I have stated above; others, however, believe it will exceed that.

There is another great danger in this bill, and sad to remark, it is one which is dependent upon largely for the success of the measure; that is the so-called "elasticity of the bill." It is so elastic that it may be used to the injury of certain ports, and to the favoritism of others. This elasticity, while hard to discard, is certainly dangerous in the extreme. We people of

Baltimore are quite familiar with the fact that the smiles of the Shipping Board have not always rested upon our harbor, and we have at times been suspicious that other ports have been favored when we should have been selected. It comes, therefore, with great force upon our people, and fraught with many dangers—this elasticity question.

The pending bill provides that any sailing ship of 1,000 gross tons or more or any power-propelled ship of 1,500 tons or more may be given a subsidy under a 10-year contract at the rate of one-half of 1 per cent for each gross ton or each 100 nautical miles covered. Power-propelled ships, beginning with 12-knot ships or more, may be allowed subsidies ranging from one-tenth of a cent for a 12-knot ship to 2.1 for ships making 23 knots or over. These subsidy contracts are made by the Shipping Board—not by Congress or any committee of Congress representing directly the people, but by the Shipping Board for 10 years, absolutely obliterating the power of Congress for the next 10 years to change, modify, or alter the least detail in these contracts, no matter how much time may show the unwisdom of the project.

Moreover, the board is permitted to increase the subsidy up to double or to decrease it, or the Shipping Board may absolutely refuse any subsidy within its discretion. Under this elastic feature the board might give to a ship a greater subsidy out of one port to enable it to serve a portion of the country by a longer route that should be served by a closer port. It might consider it proper to give ships sailing from one port large subsidies to enable them to serve the country, to the detriment of the near-by port; in other words, it gives to the Shipping Board sufficient power under this elasticity clause to make or mar any port in the United States.

The President of the United States told us in his address to Congress that such aid was not new, and as an example quoted Government aid toward the construction of good roads. This illustration is, indeed, far-fetched, to say the least. As to the ships, the Government provides deep channels and harbors, lighthouses along the shore, and every facility necessary for the safe navigation of ships, and now it is proposed under this bill, in addition to the provisions made for sea routes and their safety, to give the owners of ships a large subsidy to operate ships on these routes.

The money appropriated for construction of good roads is appropriated in the interest of all the people, and not in the interest of any special class of owners or operators. The highways are open to everybody who wishes to use them, but they are not given a subsidy for using them; on the contrary, each State provides a license fee, which must be paid for using them and to defray maintenance. Quite a different proposition and in no way related.

This ship subsidy bill is nothing more nor less than a twin brother of the outrageous protective tariff bill. They carry special protection to vast favorite interests, which enable them through the tariff bill to reach down into the pockets of the American people and take therefrom to the extent of \$4,000,000,000, and this ship subsidy will enable them to reach down into the same pockets and take therefrom perhaps \$1,000,000,000 in the course of the 10 years for which the contracts are made and bestow it upon the Shipping Trust and its allied interests.

It is the policy of the Republican Party to protect special interests whether they be manufacturers or whether they be shipowners, and this iniquitous ship subsidy bill is nothing more nor less than an extenuation and enlargement of that policy. As has been well said by my friend John W. Owens, the present administration has these ships on hand; it has devolved this proposition, not knowing what to do with the ships, and it is merely jumping out of the frying pan into the fire.

Why should we not practice more economy in the overhead charges of the Shipping Board? There are now some 8,000 employees. There are but 400 ships in operation, and all of these ships are practically under contract; not more than about 15 ships are operated directly by the Shipping Board. This board is losing approximately \$4,000,000 per month. If they would cut down upon this vast list of employees and bring salaries within a fair radius, it might be possible to operate without a loss until the ships can be disposed of to private owners under better and more prosperous conditions.

As I have said, the trouble with this bill is that the whole matter is problematical. If we would deal with history, we would be convinced that ship subsidies will avail us nothing. If we would listen to the chairman, Mr. Albert Lasker, who has had only a few months' experience in the shipping business, and who is a notable advertising gentleman, and is to be congratulated upon the great success of his firm in that line, then we are at a loss as to placing any certain reliability to his statements, because shipping has not been his calling, and no



matter how great a man he is, without experience he can not speak with authority; for instance, when he testified he stated that certain gentlemen would give more definite statements as to the bill, but when it came to the time they should have made such statements many of them did not appear and others presented their opinions in writing, thereby obviating cross-examination, which is certainly vital in such matters. Chairman Lasker himself, it is stated, became so involved that he gave utterance to expressions as follows:

I had no idea you gentlemen would ask me to give the testimony. All of it has been given me, but my mind can not hold it all. You will save a lot of time if you will let us start putting on experts.

I have really only been a regular advertising expert until I came down here to handle this shipping.

I was the only man who would take this job. The President couldn't get anyone else, and as Eva Tanguay says in her song, "Gee, it is great to be crazy."

It may be "great to be crazy," but when that involves the Treasury of the United States and places additional burdens upon people already heavily taxed, it is, to say the least, not encouraging.

It is the intention of this bill to build up a great merchant marine at the expense, of course, of the British merchant marine. I can not believe that Great Britain, which now pays not more than two and a half millions in subsidies and subventions, will be driven from the sea by measures of this nature. I believe we can build up a great merchant marine, but it will require energy, perseverance, and efficiency. Moreover, it will require the patriotism of our American people strong enough to lead them to use our ships—ships flying the American flag, both in our freight and passenger service. Great Britain depends not merely upon its efficiency, but it depends upon the patriotism of not alone England but of its many colonies in various parts of the globe. It is said that the sun never sets on the British Empire, and I may add that every member of that empire is patriotic to the British merchant marine. Let the citizens of the United States and her colonies do likewise, and, with efficiency and energy, the American flag will fly on an American merchant marine sailing the seven seas of the world.

It was said that the cost of ships was what prevented the building of an American merchant marine. That obstacle has long since been removed, as the American Government is ready to supply ships at far less than Great Britain or any other country can construct them. It was said that the marine act made it too expensive to operate an American merchant marine, but Mr. Lasker in his testimony has exploded that theory.

If you remember, it has not been long since we created a Budget system, and we led the people of this country to believe that after the creation of that system they would know definitely what this Government would cost them. But here we are, almost at the threshold, assigning under section 402 of this bill a very large part of the income of the National Government. By paragraph A we assign to the Shipping Board fund all tonnage duties, tonnage taxes or light money, some \$5,000,000. Under paragraph B we assign to it 10 per cent of all customs duties derived from the tariff act, some \$45,000,000. As to section C, which provides for payment to the Shipping Board fund of all excess earnings, I do not believe that Uncle Sam will ever receive any part of the money thus earned. If you will remember, under the Federal reserve bank act we created a system by which the United States was to receive a part, after the payment of a certain percentage, and just the moment we reached that point, after collecting excessive interest rates, after they had amassed a very large fund, and it looked as though something was going into the United States Treasury, what happened? Why, in New York they said we want a bank and grounds which will cost \$27,000,000; in St. Louis they wanted the same thing, which would cost \$7,000,000; in Richmond they wanted the same thing, which would cost \$5,000,000. I do not know what they want in New Orleans, but I will wager before they get through with the expenditures on these vast buildings they are proposing there will not be one cent of excess earnings from the Federal reserve system coming into the United States Treasury, and thus will it be with the earnings from the Shipping Board.

Mr. STEVENSON. If the gentleman will yield, did not this very Congress in order to stop the expenditures say that they could not spend more than \$250,000 without authority of Congress?

Mr. LINTHICUM. The gentleman is absolutely correct. Here in this Congress, after creating a Budget system to show the people of the country what the Government was costing them, they propose to make these assignments of the revenues of the United States to this Shipping Board fund and to leave to the board the expenditures therefrom. Now, gentlemen, if

all that is to be done, then the President was not fair to this Congress and this country when he said that it was costing \$52,000,000 to run the merchant marine at the present time, and if we give \$30,000,000 we would save to the people \$20,000,000 in the running of the merchant marine under this bill. I think we ought to have had more time and not limited debate in reference to amendments. We should not have tied ourselves to the time of the vote on the measure, which is of such vast importance to the American people. We should not have had a certain time to vote without knowing what amendments are to be offered.

There is another thought I have in mind which should be brought out. If you remember, this ship subsidy bill was considered by the committee during the early part of this year, and the President at that time stated that it must be passed before the adjournment of Congress. Certain leaders surrounded him and persuaded him not to press the measure. The measure was not presented to Congress but was deferred until this special session and after the general election. It was discussed, however, throughout the country and it was generally understood would be brought up at the next session. The people repudiated the Republican Members, indicating as clearly as anything could that no such legislation was desired, and yet here we have the sad spectacle of a party repudiated at the general election placing upon the statute books legislation which binds the hands of a nation for the next 10 years.

If the measure is a good one, why should not the President have left it until the new Congress comes in fresh from the people who will voice the sentiments and desires of their constituents? It is an outrage upon the American taxpayer to bind the Nation and its Treasury in a matter such as this when the people have spoken so explicitly at the general election.

I have said previously that history demonstrates a subsidy will not create a merchant marine, and in substantiation of that fact I introduce as a part of my remarks extracts from the report which Professor Borchard made to the Shipping Board. Here are the extracts:

#### GREAT BRITAIN.

Mr. Meeker (Dr. Royal Meeker) adds that the payments were in large part concealed bounties. He says that postal subventions did not first establish steamship communication between England and North America, and that the subsidies hindered rather than helped the natural development of steam navigation. The Cunard Co. was helped to make large profits, but the subsidy did succeed in establishing a regular line of steamers earlier than might otherwise have been the case. But while Cunard was aided others were correspondingly discouraged. Mr. Meeker adds that the benefits to the war navy were equally fictitious.

In 1902 the British Board of Admiralty declared that the payments to steamship companies by that board were worse than wasted.

The net postal subvention, after deductions, paid by England to its various services amounts to about \$2,500,000.

#### HOW BRITISH MARINE GREW.

All the writers seem to agree that the growth of the British merchant marine is in no sense due to the small subsidy paid, admitting that the payments are in excess of the postal service rendered. The growth of the British marine was probably due to the early development of British industry, the acquisition of extensive colonial possessions, and the monopolistic or preferred position in colonial trade. The cheapness of construction and the concentration on the business account for most of its success.

#### FRANCE.

France appears to be the country of subvention par excellence, although in 1910 its merchant marine was outranked by Great Britain, United States, Germany, Norway, and Japan. In 1881 its enlarged program of direct subvention began.

There seems to be a general agreement that the French subsidy system, which has been more or less the model for Italy, Spain, and Japan, has been a failure. It has not given the benefits to the French merchant marine that were expected, although it is safe to say that without the subsidies the French merchant marine might by this time have been almost depleted.

#### ITALY.

The results of the subsidy in Italy have not been any more successful than in France, although Italy has a long seacoast, a dense population, efficient marine workers, and low wages. She is handicapped, however, by a lack of coal and a highly developed iron and steel industry.

In 1870 Italy had a tonnage, mostly sail, of about 1,000,000. In 1911 they had 1,100,000, an increase of 100,000 tons, although the proportions between sail and steam were over 700,000 for steam and 400,000 for sail.

#### SPAIN AND PORTUGAL.

The bounty on Spanish-built ships has been in force since the tariff law of 1889. It is partly to compensate domestic builders for the tariff paid on imported materials. These bounties run from 40 pesetas (7.72 cents) per gross ton per 1,000 miles on wooden ships to 75 pesetas (14.48 cents) on iron or steel ships per total registered ton.

Apparently the subsidy had little effect in increasing Spanish ship-building.

Portugal's shipping had not increased greatly since 1900, namely, from about 100,000 tons to 114,000 tons net. The Portuguese subventions have not been large, remaining at about \$150,000 since 1889, and being confined principally to the maintenance of regular steamship communication between Portugal and her colonies. They are primarily postal subventions.

#### JAPAN.

Japan aids shipping somewhat on the system of France, but being more industrially favored than France the system has been far more successful in Japan.



## THE NETHERLANDS.

Government aid is largely confined to postal and colonial subventions for the maintenance of regular communications between the home country and the Dutch colonies in the Far East and the West Indies. The grants are in excess of the cost of postal service and to that extent are subsidies, but the Government has secured the free carriage of mails and the important colonial object of regular communication with the colonies.

## DENMARK.

Denmark has not given much State aid, but no particular conclusions can be drawn from the Danish experience.

## NORWAY.

The small shipping subsidies which Norway has granted to its merchant marine can not have had a material effect on this growth, which is due to other circumstances, namely, geography, seafaring ability, liberal navigation laws, and a low cost of production.

## SWEDEN.

Sweden's merchant marine is about half that of Norway and ranks ninth among the merchant navies of the world. It rose from about 350,000 tons in 1870, almost all sail, to about 900,000 tons in 1914, of which one-sixth only was sail. This growth is not due probably to Government aid, but to the growth of the industries of the country.

## GERMANY.

Prior to the war, however, Germany had reached perhaps the greatest growth in her merchant marine. This was not due to subsidies or to any form of Government aid that can be established. The greatest line in the world, the Hamburg-American, is said never to have received a cent of Government subsidy.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. CHINDBLOM. Mr. Chairman, I ask recognition in opposition to the last speaker.

Mr. HARDY of Texas. Mr. Chairman, I have been seeking recognition even before the gentleman from Maryland, and I thought the Chair said he would recognize me next. If I am assured of five minutes I do not care where I come in after the gentleman from Illinois.

Mr. CHINDBLOM. Let us have some arrangement about time.

Mr. EDMONDS. I move that debate on this section and all amendments thereto—

Mr. HARDY of Texas. I do not think the gentleman has the floor.

The CHAIRMAN. The Chair has not recognized the gentleman from Texas. What proposition does the gentleman from Pennsylvania make?

Mr. EDMONDS. I move that all debate on this section and all amendments thereto close in 10 minutes.

Mr. GARRETT of Tennessee. If the gentleman will withhold that a moment and let me make a suggestion. I am sure the gentleman from Pennsylvania knows that this side is not disposed to try to delay this bill in any way whatever, nor to indulge in any captious debate. This, as stated by the gentleman from New Jersey [Mr. LEHLBACH], is a very important section, and there are several gentlemen who want to be heard upon it, and I would be very glad if the gentleman will be more liberal than closing debate at the end of 10 minutes.

Mr. EDMONDS. Can the gentleman give me any idea as to how much time there is desired?

Mr. GARRETT of Tennessee. Fifteen minutes is desired on this side.

Mr. FREAR. I wish two minutes in which to offer an amendment, and I understood the gentleman from Pennsylvania to say I must take care of myself.

Mr. EDMONDS. I will ask that all debate on this section and all amendments thereto close in 30 minutes, 15 minutes to each side, to be controlled by the majority members of the committee. Well, I will make it 20 minutes on each side.

Mr. GARRETT of Tennessee. Name the parties.

Mr. EDMONDS. To be divided equally between those in favor of the bill and those against the bill.

Mr. GARRETT of Tennessee. Controlled by whom?

Mr. EDMONDS. By Mr. GREENE of Massachusetts and the gentleman from Texas [Mr. HARDY].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania that there be 20 minutes debate on a side, the time to be controlled on the several sides by himself and the gentleman from Texas. Is there objection? [After a pause.] The Chair hears none. The Chair recognizes the gentleman from Texas.

Mr. HARDY of Texas. Mr. Chairman, on this amendment to this paragraph which the gentleman from New Jersey [Mr. LEHLBACH] says is the key to the bill, I would like to be heard by the patient, thinking Members on that side. The gentleman from New Jersey calls this paragraph the key to the bill.

Have we reached the point where there is any branch of this Government that must be independent of Congress as to the appropriations for carrying out its functions? Never before in

the history of this country have we had an independent arm of the Government with an independent treasury to draw from; never have we had an independent arm of the Government that did not have to come to Congress to request appropriations.

Now, let me tell you what this section does. It could authorize the appropriation of \$125,000,000 a year for the purpose of carrying out the intent of this act, and that would leave it to the Congress always to appropriate that much or a portion thereof; but the money would not be set aside and could not be paid without an appropriation. Under this paragraph, however, there come not into the Treasury of the United States proper but into the Treasury to be set aside by the Secretary in a special fund certain revenues. What are they? First, 10 per cent of all the import taxes, and our import taxes for the coming year are estimated at \$450,000,000. That is \$45,000,000 which will go into this special fund. Certain dues from tonnage, dues estimated at \$6,000,000. That is \$51,000,000 that goes into that fund in the very fiscal year in which this law is passed. What else? The President says it will require about \$15,000,000 or less during the first year of the administration of this act. What becomes, then, of the balance of the \$51,000,000? Why, it lies there, a sacred fund, which Congress can not touch, segregated from the general funds of the Treasury, and for all purposes of legislation it is practically spent, because you have not got it to draw against for any other purpose.

Why, gentlemen, this law is so tremendous in its far-reaching effect that if we did not spend in subsidies more than \$15,000,000 per annum on the average for the next five years we will accumulate in this fund, made sacred by this law against the uses of the Government for any other purpose, some \$200,000,000 set aside from the tariff revenues and the tonnage dues and the other sources mentioned that we can not touch. Do you want that?

Mr. SANDERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. SANDERS of Indiana. Suppose we entered into these contracts providing for a yearly appropriation, and the gentleman from Texas was in Congress when the next appropriation bill came up. Would the gentleman be willing to vote to appropriate the money to carry out the law?

Mr. HARDY of Texas. Oh, I will say to the gentleman that we leave our sick and wounded soldiers to be appropriated for by the committees of this Congress and by the action of this Congress. [Applause on the Democratic side.] But here is an interest so strong that it comes before Congress and demands that it be not required to approach Congress as every other organization and every other interest of the country does, but that this permanent fund be set aside for it, not to be touched for any other purpose, and paid out to shipowners on warrants drawn by the chairman of the Shipping Board.

Mr. SANDERS of Indiana. Would the gentleman be willing to vote to appropriate the money to carry out the terms of the contract next year?

Mr. HARDY of Texas. I may not be here next year, but if I were, I would be willing to vote. I would never vote to repudiate a contract or obligation.

Mr. SANDERS of Indiana. What is the difference between doing it now and doing it next year?

Mr. HARDY of Texas. The next year you will probably have more than enough, and this does according to the President's statement appropriate three times as much as will be needed. He says \$15,000,000 will run the ships, and this bill appropriates \$45,000,000 from the tariff revenues.

Mr. KIRKPATRICK. This does not appropriate anything, does it?

Mr. HARDY of Texas. It certainly does; it sanctifies it and segregates it and prevents it from ever coming into the Treasury. It makes it a special fund to be placed to the credit of the Shipping Board and paid out on its draft.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. STEVENSON. And at the bottom of page 25, beginning with line 23 of the bill, it says, "All moneys in the fund are hereby permanently appropriated."

Mr. HARDY of Texas. That next section is not needed. It is appropriated by this section. It never will go into the general funds. It is permanent; it is segregated and sacred. Here comes an interest which is to receive great rights and privileges from Congress, and it says, "We will not trust a future Congress; we demand that you fix it so no future Congress can deny us." [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Texas has expired.



Mr. CHINDBLOM. Mr. Chairman, one would think this was a most extraordinary and unusual proposition, while the fact is that no less an authority than the chairman of the Committee on Appropriations has said that there are probably more permanent appropriations than there are temporary or annual appropriations; that is, that there are more appropriations made by permanent law than are contained in the annual appropriation bills.

Let us see what some of these permanent appropriations are. All expenses incident to the floating of Government loans, the preparation and issuance of reserve notes, the preparation and issue and custody of farm loan bonds, the cost of recoinage of silver, the repayment to importers of excessive deposits under the tariff laws, the debentures, drawbacks, bounties, and allowances under the customs or tariff laws; the sinking fund, by which the national debt is paid; the interest on the public debt, the redemption of Government bonds, obligations retired from Federal reserve banks for franchise receipts, all expenses for cooperative vocational training and education in agriculture, trades, teachers, and industries, all expenses for the cooperative rehabilitation and vocational education of persons injured in industry, and a number of other matters that I have not time to take note of at this moment. The fact is, Mr. Chairman, that the permanent appropriations exceed those which are made annually in the appropriations by Congress.

This is a proposition under which the United States Government will make contracts for 10 years with operators of vessels and will assure to them and will promise to them and undertake to pay them the Government aid which is provided for in this bill. If there is no permanent unassailable authority for the payment of this compensation, of course no business man will enter into a contract with the Shipping Board representing the Government for the investment of his money.

I want to emphasize what was said by the gentleman from New Jersey. If you want to kill this bill you can do it by the elimination of this provision. This is the one provision which is absolutely necessary for the practical operation of this legislation. Some concessions have been made and other concessions doubtless will be made from what the committee firmly believe to be actually essential for the accomplishment of all the purposes of this bill, but on this proposition there can be no concessions; because, unless we are able to say to men who want to invest their funds in the shipping business that their return is assured, that the payment of their compensation is assured and not dependent upon the action of Congress annually in the passage of appropriation bills, we might as well make up our minds that we are going to be successful in performing the things designed by this bill.

Mr. Chairman, I said yesterday that this committee has no pride of authorship in this bill; but this is an essential. This is absolutely necessary. Unless we have the fund created by this legislation, the question will be raised every time an appropriation bill is passed whether this compensation should be paid. The Government proposes to keep its contract. We propose that the Government shall keep faith. When we authorize the making of these contracts for 10 years we intend that the subsidy, or the aid, or the compensation shall be paid to shipowners and to ship operators, and if we so intend, why not make that declaration now? If a subsequent Congress should feel disposed to repudiate the solemn obligation of the Government, let that be their business. But so far as this Congress is concerned, if this Congress intends to pass a bill of this character, to promote and establish and maintain the merchant marine by the granting of Government aid, it must do the full job, it must perform its full duty, without equivocation and without leaving it to subsequent action to make effective the acts which are taken by this Congress.

Further on there will be discussions as to details for the expenditure and the use of this fund. This section merely creates the fund and provides for setting aside the money in the Treasury of the United States.

Mr. HARDY. I yield five minutes to the gentleman from Nebraska [Mr. ANDREWS].

Mr. ANDREWS of Nebraska. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. ANDREWS of Nebraska. Mr. Chairman, we need, and ought to have, an American merchant marine. It should be highly efficient and responsive to the commercial and financial interests of the people of the United States. I believe that there is quite common agreement upon these points. Issue is

joined, however, when we begin to discuss the methods by means of which this policy is to be carried into execution. Personally I am not in sympathy with the idea of subsidies in any particular whatever as a fundamental principle of government. However, we know that Government aid under different forms is extended in various directions. We have in point just here a very forceful comparison. This bill means transportation by water. A few years ago discussion was centered upon transportation on land, and the railroad problem was the dominant question. Then Congress voted subsidies to railroads amounting to over \$2,000,000,000 for 26 months for the operation of the railroads. When you put the subsidy of \$30,000,000 a year as proposed in this bill in comparison with that proposition the figures fade into insignificance. Nevertheless, the principle remains. Here we have the proposition that we are to take funds that come into the National Treasury and pay them as subsidies to private or corporate ownership in the operation of ships.

Whether the amount be large or small, the principle remains the same. Having helped to abolish subsidies for railroads, I am opposed to subsidies for ships also.

Our farmers and manufacturers should not be dependent upon the merchant vessels of foreign countries to carry their surplus products to the markets of the world.

We should avoid in every reasonable way the reduction of our circulating medium by the payment of tonnage fees to the shipowners of foreign countries.

A merchant marine owned and operated by Americans and American capital under American charters and the American flag would give to our people the best possible advantages for access to foreign markets at the most favorable times for good prices for the products of American labor.

I am thoroughly in sympathy with these fundamental principles and deeply regret that the subsidy and loan provisions of this bill seriously interfere with their application. My mind inclines toward the continuance of existing conditions temporarily, in the hope that these objectionable features may be ultimately removed.

Some of the arguments advanced by the minority members of the committee reporting this bill prompt me to ask the following question:

How would the maximum amount of subsidies proposed in this bill compare with the total amount of subsidies exceeding \$2,000,000,000 voted by a Democratic Congress (Sixty-fifth) to the railroads of the country through the Federal control act of March 21, 1918?

It should be remembered that a Democratic Congress voted those railroad subsidies upon the National Treasury and that a Republican Congress (Sixty-sixth) abolished them. In this connection note a few facts, as follows:

In 1912 the railroads of this country were furnishing the best and cheapest transportation that has ever been enjoyed by the American people. That condition had been developed under Republican legislation and administration, extending through a period of nearly 50 years.

In 1913 the Republicans were retired from both legislative and executive branches of our Federal Government.

Between 1915 and 1921 the Democratic Party under the leadership of Woodrow Wilson enacted legislation and adopted executive policies that resulted in the advancement of railroad rates to the highest point ever known in American history. The peak was reached in 1920. Under those conditions the people not only paid the highest transportation charges, but they have also been required to pay billions of dollars into the National Treasury through taxes and loans to discharge the financial obligations which the Wilson administration imposed upon the country by guaranteeing net returns to the railroads.

The Wilson-McAdoo guaranteed subsidies to railroads were enacted into law by the Federal control act of March 21, 1918. That act was repealed by a Republican Congress, so that Government control ceased on March 1, 1920, and all guaranteed rates were abolished, to take effect September 1, 1920.

According to the terms of that act, the guaranty was to extend 21 months beyond the date of the issuance of a proclamation of peace with the Central Powers. That proclamation was issued July 2, 1921. Thus the Wilson-McAdoo subsidy carried in the Federal control act would have extended to April 2, 1923. The transportation act of 1920, however, repealed that subsidy, to take effect September 1, 1920, 31 months earlier than the termination of the Wilson-McAdoo guaranty, thus releasing our National Treasury from an additional liability of \$1,937,000,000.

The Railroad Labor Board appointed by President Wilson advanced wages to their highest point in 1920, and in the same year the Interstate Commerce Commission, also appointed by



President Wilson, advanced railroad rates to their highest point. Crown Prince McAdoo did not, however, increase railroad rates sufficiently to balance the increase of wages made by him during his control of the roads as director general. Consequently the Interstate Commerce Commission made a larger increase in rates in 1920 than would have been required if the crown prince had discharged the duties of director general properly.

The Republican administration at Washington has been gradually developing plans during recent months for the restoration of the transportation business of the country to a normal peace basis. The most serious difficulties encountered in that effort are the influences of the Democratic policies established under Mr. McAdoo.

Every dollar that has been taken from the National Treasury to pay those subsidies to the railroads was levied by the Wilson administration under the Federal control act of March 21, 1918. While our Democratic opponents voted for those subsidies, we abolished them.

All guaranties mentioned in the transportation act of 1920, sometimes called the Esch-Cummins Act, are reproductions of like provisions of the Federal control act, and were thus allowed to continue for a period of six months to avoid a financial collapse and general strikes throughout the country.

The Wilson-McAdoo subsidies have cost the National Treasury over \$2,000,000,000 already; and if the law had run its course to April 2, 1923, they would have created additional liabilities approximating \$1,937,000,000.

The figures expressed by the wildest flights of imagination in connection with this shipping bill fade into insignificance in comparison with the railroad subsidies voted by a Democratic Congress out of the National Treasury through the Federal control act.

As our Democratic opponents voted railroad subsidies exceeding \$2,000,000,000 for 26 months, why should they hesitate at the ship subsidies specified in this bill?

As I have heretofore opposed railroad subsidies and helped to abolish them, I now oppose ship subsidies, and for that reason will record my vote against this bill unless the subsidy provisions should be eliminated.

Mr. CLARKE of New York. Will the gentleman permit a question?

Mr. ANDREWS of Nebraska. Certainly.

Mr. CLARKE of New York. How do you expect to get a merchant marine? What is your idea?

Mr. ANDREWS of Nebraska. I am in favor of going forward for the time being, laying pressure upon more efficient management under Government operation, and with the revival of business hoping to get a better market for the sale of the ships and a better opportunity for the National Treasury to increase its revenues to pay the bill.

We are advised by the House Committee on Appropriations that the operating expenses of our merchant vessels now exceed their receipts by \$50,000,000 a year. This deficiency, of course, is covered by direct appropriations from the Treasury. The House Committee on Merchant Marine and Fisheries which reported this shipping bill informs us that the annual payments to cover subsidies will amount to \$30,000,000 a year. In this judgment the President's message seems to concur. Thus it appears that the passage of this bill in its present form would not reduce annual expenditures beyond \$20,000,000 a year.

This fact suggests numerous inquiries. How many times \$20,000,000 would the Government lose in the sale of these ships upon the depressed market? On the other hand, how many times \$20,000,000 could be realized from the sale of the ships at a later date when the general business conditions of the Nation and the world are revived? Will not expanding business bring a better market for ships as well as other things? Would it not be wise to try out the problem of Government operation here and now while we have the ships?

The results of that test would go a long distance toward settling in the minds of the people of the country the advisability of Government ownership and operation of public utilities.

According to the evidence from both committees, the maximum loss would not exceed \$20,000,000 a year, and that might be the minimum expense for testing out the theory of Government ownership and operation of an American merchant marine.

In making these tests it will not be necessary for the Government to commit itself on either side of the question of Government ownership and operation. Let the tests themselves demonstrate the results and upon the ground of those results let us form our conclusions.

For one I am ready to make that test and abide by its results rather than vote for the passage of this bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. EDMONDS. I yield two minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. HARDY of Texas. I yield to the gentleman from Wisconsin [Mr. FREAR] two minutes additional, making four in all.

The CHAIRMAN. The gentleman from Wisconsin [Mr. FREAR] is recognized for four minutes.

Mr. FREAR. Mr. Chairman, I think I have a solution for this dilemma into which we have been so unfortunately forced. I hope the House will agree with me on it. We recognize that there is a shortage in the Treasury to-day of \$670,000,000, as stated by Secretary Mellon; that the Commissioner of Internal Revenue day before yesterday gave out a statement that the Treasury income returns this year are \$1,400,000,000 less than they were last year. The Executive of this Government, in his wisdom and in a belief that it is proper to keep in the Treasury a sufficient amount to provide for unusual expenditures, proposed in the case of the soldiers' bonus bill that the bill itself should provide the means to finance it. That may be a right proposition. If so then, it is now. I am going to submit my amendment without discussion. I propose an amendment at the end of line 13, on page 24, striking out after the word "and" and inserting—

that no part of the \$125,000,000 loan fund shall be paid under the provisions of this bill until and after the reenactment of the excess-profits tax law by Congress.

[Laughter and applause.]

I yield back the remainder of my time.

Mr. EDMONDS. Does the gentleman from Wisconsin offer that as an amendment?

Mr. FREAR. Yes; I offer it.

Mr. EDMONDS. Then, Mr. Chairman, I reserve all points of order.

The CHAIRMAN. The Clerk will report the amendment.

Page 24, line 13, after the word "and" insert "that no part of the \$125,000,000 loan fund shall be paid under the provisions of this bill until and after the reenactment of the excess-profits tax law by Congress."

Mr. EDMONDS. Mr. Chairman, I make a point of order against the amendment.

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. The time taken for a discussion of the point of order will not be taken out of the time allotted for discussion of the amendment?

The CHAIRMAN. No; if there is a discussion on the point of order, it will not.

Mr. EDMONDS. I make the point of order.

The CHAIRMAN. What is the gentleman's point of order?

Mr. EDMONDS. That it is not germane to the question at all. This paragraph is for the purpose of setting aside a certain sum of money by the Treasury Department, and the gentleman's amendment is to raise taxes.

The CHAIRMAN. The Chair sustains the point of order.

Mr. FREAR. Will the Chair hear me a moment?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. FREAR. It is impossible to take from the Treasury something that is not there; so I desire to provide money for the Treasury that they can take out.

Mr. LONDON. Mr. Chairman, I would like to be heard a moment on the point of order.

Mr. SNELL. Mr. Chairman, has not the Chair ruled on the point of order? I make the point of order that it is not in order to discuss a point of order after it has been sustained.

The CHAIRMAN. The Chair ruled before there had been any discussion on the point of order, and the Chair will hear the gentleman from New York briefly.

Mr. LONDON. I claim, Mr. Chairman, that it is in order, because the payment is made contingent on the occurring of a certain event. In Title III, relating to the transportation of immigrants by water, the going into effect of section 301 is made dependent upon future action by the President in regard to certain treaties. By this amendment section 402 is to go into effect only when Congress shall have taken certain legislative action, namely, when it shall have enacted an excess-profit tax law. I think it is entirely in order.

The CHAIRMAN. The decisions seem to be uniform that propositions of this sort can not be brought in; that extraneous matter not germane to the matter under consideration can not be brought in in this way, and the Chair sustains the point of order.

Mr. EDMONDS. Does the gentleman from Texas wish to yield any time on that side?



Mr. HARDY of Texas. How much time has the gentleman used?

Mr. EDMONDS. I think I have used seven minutes.

Mr. HARDY of Texas. I believe we have used 12 minutes.

Mr. EDMONDS. Mr. Chairman, I yield five minutes to the gentleman from Indiana [Mr. SANDERS].

Mr. SANDERS of Indiana. Mr. Chairman, the motion is to strike out the section providing for the creation of a fund. It is not proposed that it shall be stricken out and something substituted, but it is proposed to strike out the section which lays the basis for the general appropriation. There seems to be some contention by gentlemen on the other side that this is abdication of the power of Congress. As a matter of fact, it is not; it is simply the exercise of the power of Congress. We are dealing with a proposition that covers a long period of years.

The Constitution provides not for annual appropriations. It makes this provision: That no money shall be drawn from the Treasury except in pursuance of an appropriation made by law. There is only one limitation that I know of, and that is in the provision of the Constitution with reference to raising money for the support of the Army, and that is limited to two years.

The Constitution does not contemplate that appropriations shall be made annually. That is done because ordinarily we carry on the business of the Government, pay salaries by the year, and so forth, and in the course of events the great number of expenses are incurred annually. As shown by the gentleman from Illinois [Mr. CHINDBLOM], a great many funds are created and carried over for a period of years. I suppose those who vote for the measure are expected to carry out the terms of the law. I asked the gentleman from Texas [Mr. HARDY], when he was on the floor, if he was in Congress and we had contracts and there was a liability by the Government, whether he, as a Member of Congress, would vote the money to pay it? He refused to answer at first, but finally said that he might. If he would, if Congress is in earnest, if we are in good faith, I do not know why we should not create a fund to provide for the payment and take it out of that fund. There is nothing indefinite about it. The contracts are definite. The amounts to be paid are definite, and it is purely an administrative matter to determine the amount due. I think we have created a fund, and properly so, to cover the entire matter.

Mr. HARDY of Texas. Will the gentleman yield for a question?

Mr. SANDERS of Indiana. No; I yield the floor.

Mr. EDMONDS. Will the Chair state how the time stands?

The CHAIRMAN. The gentleman from Pennsylvania has 10 minutes and the gentleman from Texas has 9 minutes.

Mr. EDMONDS. We have but one more speech on this side.

Mr. HARDY of Texas. I yield five minutes to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. Mr. Chairman and gentlemen of the committee, I am in favor of the pending amendment. It is in accord with the declared policy of the Republican majority of this House. When this Congress first convened, if there was one thing promised by the leaders of the Appropriations Committee it was that they were going to make an honest effort to so appropriate the moneys of the Government that hereafter a citizen of this country could easily learn each year what the Government was costing them. Following that policy the chairman of the Appropriations Committee called upon every department to submit a report to Congress setting forth every permanent appropriation and every revolving fund. He has declared time and time again on this floor that he would before the adjournment of this Congress introduce a bill repealing every one of these permanent appropriations, revolving funds, and indirect appropriations, not only because Congress and the people were entitled to know what the Government is costing them but because experience on the Committee on Appropriations has shown that the existence of a permanent fund has often been an inducement for extravagance upon the part of the men who handle that fund. Gentlemen will notice that your floor leader, the gentleman from Wyoming [Mr. MONDELL], said of this particular provision in the bill—

I have some doubts as to the wisdom of that appropriation. I am not certain how I shall vote on the question, but I do know that in taking up an important matter of this sort the House should not bind itself in advance.

Your leader made that statement because from an experience of 20 years he knows there could be no more vicious legislation than that which is attempted by this provision. The gentleman from Illinois [Mr. CHINDBLOM] has sought to defend it, and how weak is the defense! He tells you that in the past some Congress created a revolving fund. That is true. During the war it was often done. But is that any reason why now, in

time of peace, the same errors, the same wrongs, about which others have inveighed on this floor, should be again committed? If there is anything that men acquainted with appropriations of the Congress have hoped, it is that with the end of the war there would be an end to this; and yet now you come in here, in the closing days of the Congress, and seek to violate every policy you have made on this subject. The gentleman from Illinois said that permanent appropriations have been made for other purposes, including roads. He is wrong in that.

Mr. CHINDBLOM. I did not mention roads.

Mr. BYRNES of South Carolina. I thought you did, and I am very glad to learn the gentleman did not, because here is what happened in respect to roads. This Republican majority passed a bill upon the subject of public roads only a few months ago. They would not appropriate for roads, but merely authorized an appropriation. The bill went to the Senate. The Senate struck out that provision and inserted a provision making an appropriation covering three years. What happened? Knowing it was unwise to make such an appropriation, when the bill came back here you properly and rightfully insisted upon the position I now urge upon you. Your conferees stood out against the Senate demand, insisting that it be made solely an authorization. You demanded when it came to the appropriation for the roads of the country that officials be made each year to present their budget to the Congress in order that the Congress and the people might know what was going on, and you won out in that respect, because you were right. Now, you say that you can not make these contracts because of the lack of appropriations, and yet in the Post Office appropriation bill for this year you specifically provide how it can be done with the road fund. You authorize the Secretary of Agriculture to make contracts for a period of years specified in the appropriation bill without making an appropriation, and in like manner you can do it in this bill for as many years as Congress thinks wise.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. HARDY of Texas. Mr. Chairman, I yield the gentleman the four additional minutes which I have.

Mr. BYRNES of South Carolina. Mr. Chairman, I was referring to the fact that the Post Office bill specifically provides for authorizations which would enable you to contract for from three to five years. My own opinion is, however, that it is unwise to do that. I think the present Congress should not in this matter bind the Congress for 10 years, as provided in this bill. If you want to specify a term of years, for which a contract may be made, we ought to limit it to two years, the life of a Congress. The gentleman from Illinois [Mr. CHINDBLOM] said that if a contract was not made for 10 years shipowners would not make the contract. Do you mean to tell me that if I were a shipowner to-day, operating without a subsidy, and you came to me and said that you would give me a subsidy for two years but no longer, that when I was getting nothing I would refuse to take a subsidy for those two years? Why, a contract of that kind would be accepted so quickly it would make your head swim.

Mr. J. M. NELSON. What is the consideration for the contract?

Mr. BYRNES of South Carolina. I am not going into the merits of it. I simply want to stick to the appropriation end of it. Ten per cent of all customs duties shall be set aside to pay the subsidy. What will this amount to? In October the duties amounted to \$40,185,835.

Up to November 24 it amounts to \$37,716,000, which is at the rate of \$45,000,000 per month. So that by this provision in the bill you are going to put into the fund available for this purpose of paying subsidies between \$45,000,000 and \$50,000,000 a year. The President of the United States, speaking from the platform here, told us and told the country that certainly for years to come they would need but \$15,000,000. The gentlemen in charge of the bill on this floor, man after man, have asserted the same thing. Why, if it will cost but \$15,000,000, should we set aside \$50,000,000 a year out of the Treasury, in which there is a deficit, according to the President? Then look at the next page of the bill and you will see that it is made a permanent appropriation, so that it will accumulate from year to year. Instead of being \$50,000,000 next year, they will carry over \$35,000,000, according to the President, making the fund next year \$85,000,000. Why do it? What is behind it? Why not make them come to Congress, just as every other department of the Government ought to be made to do, and give to Congress the situation as it is, telling us what they have paid out during the past year and what will probably be paid out, so that the Members of Congress and the country will know what is going on.



At the present time the subcommittee of the Committee on Appropriations on Naval Affairs is making up the naval appropriation bill. That committee intends making an effort to take out of that bill all these permanent and revolving funds. That bill will come to the House in the next few weeks, and we will boast of our achievement, and yet to-day it is proposed to enact in this bill an entirely different policy. This Congress will expire March 4 next, and it is proposed to authorize contracts for 10 years, make a permanent appropriation, and prevent action by the new Congress. Why, even four years from now some Republican Congress may determine that the shipping business is on such a basis that this bill should be repealed. But under these provisions your officials could, before a bill was signed, make a contract for 10 years and practically prevent a repeal. Surely that is not the object. I do not think you want to do that. The necessity for a permanent appropriation does not exist, no man has shown it, and good legislation and economy demand that this amendment be agreed to. Then you gentlemen of the committee can come forward and offer an authorization such as is carried in the Post Office appropriation bill on the subject of roads. My friend from Illinois says that we have not offered such an amendment. I think the committee in charge of the bill ought to do that. I think they ought to bring in an authorization that will permit contracts for not more than two years and require appropriations from the fund to be made annually by Congress.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. EDMONDS. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 24, after line 15 insert, "no expenditure shall be made from the merchant marine fund except out of the appropriations made annually therefrom by Congress for carrying out the purposes of this act."

Mr. MADDEN. Mr. Chairman and gentlemen of the committee, I want to say this, that it is all right enough to create a fund; it is very proper to create it. We created such a fund for the development of reclamation and then we put a provision at the end of that act similar to this. If that provision is good in the reclamation act it ought to be good in this act. Congress has never refused to appropriate out of a fund created by law, and I have no doubt but that the Congress will continue to obey the law and appropriate from time to time as the need develops. There is no need for us to fix an upset sum which may be two or three times the amount needed when we have Congress present which can every year fix the exact amount needed. The Appropriations Committee is the servant of the House. They will always be ready to consider the problems which confront the House. Every law enacted which places an obligation upon the Congress that requires an appropriation has been strictly adhered to by the Committee on Appropriations in the past, and that will be true as to the future. Contracts entered into under this act will be a sacred obligation and will not be ignored by the Appropriations Committee or the Congress.

Mr. HARDY of Texas. Will the gentleman yield for a question for information?

Mr. MADDEN. I will.

Mr. HARDY of Texas. Would the amendment of the gentleman leave this revenue in the general fund except what was appropriated, or would it be set aside by the other terms and have to remain whether appropriated or not?

Mr. MADDEN. The expenditures from year to year are subject to the action of Congress out of the fund. Now, if some disposition is to be made of the balance of the fund it would be easy for the Congress to do that whenever the need arises.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDS. I yield one minute to the gentleman from Wyoming [Mr. MONDELL] and the remainder of my time to the gentleman from Ohio [Mr. FESS].

Mr. MONDELL. Mr. Chairman, this amendment offered by the gentleman from Illinois [Mr. MADDEN] should be adopted. With the amendment adopted we will have a fund, which the bill very wisely provides, such as we have now under the reclamation law. Out of that fund Congress will make the necessary appropriations for carrying out the provisions of the bill. I have no doubt, I have no question, but what Congress will make all appropriations called for to carry out the contracts and operations. I believe it is better practice than

to have a permanent appropriation over which Congress has no authority.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDS. I yield the remainder of my time to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman is recognized for seven minutes.

Mr. FESS. Mr. Chairman, the discussion on this amendment left me under the impression that many persons speaking thought this was a new plan. Whether it be wise or otherwise, we have practiced what is proposed by this amendment for years. I went to the Committee on Appropriations and got the record of our appropriations for next year, under the title of "Indefinite and permanent appropriations." For this next year they sum up \$1,434,370,682. That means that we are in this practice, and the question was not raised when we provided these permanent appropriations in the general legislation when the policy of the legislation was being discussed.

Mr. STEVENSON. Will the gentleman permit a question?

Mr. FESS. I regret I can not yield. I was on the Vocational Educational Commission that reported to the House that legislation. It was fathered in the Senate by Senator Smith, of Georgia, and in the House by Representative Hughes, of the same State, chairman of the committee. The law bears their names. That law provides for a permanent appropriation which when we reach the maximum will be \$7,000,000 annually. That was not new. Just preceding that legislation there was also legislation to increase the agricultural interests of the country by what we call agricultural-extension education.

Mr. GARRETT of Tennessee. Will the gentleman yield for a question?

Mr. FESS. I regret I can not yield.

Mr. GARRETT of Tennessee. That passed before the Budget was adopted.

Mr. FESS. That law passed before the Budget was adopted. The agricultural-extension legislation was fathered by Mr. Lever, of South Carolina, one of our most capable Members and one of the most respected on both sides of the House. That law provided a permanent appropriation, because it was a continuing contract, and under it we had appropriated a very large sum of money. There was no objection to it then when the policy was being discussed.

I have here 17 large pages of these appropriations that go into a great number of permanent and indefinite appropriations, and while there might be some question as to the wisdom as a general policy of making these permanent laws requiring permanent appropriations, I want to call attention to the fact that this is not new; it is a well-established practice, and it has always been put upon the basis that where you have a permanent or continuing contract that can not be completed next year or the next year or the next year, that there ought to be a permanent law providing the supply of the money for the payment of the contract. I would like to illustrate. In the Treasury Department, under the head of "Drawbacks," everyone knows it would be impractical not to make available the money to pay the drawback this year of the tariff legislation, and therefore necessitates the waiting for a definite appropriation. So authority is given to the Secretary of the Treasury to make a contract in order to make the law effective.

Mr. MOORE of Virginia. Will the gentleman yield for a question?

Mr. FESS. I regret I can not yield. Under the Treasury Department I find \$1,344,338,800 permanently appropriated and definitely to take care of such situations as these. I find in the vocational and educational bill the same practice. Then I find in reference to vocational rehabilitation of persons disabled in industry the same thing. I find also under the United States Veterans' Bureau the same thing.

I find also under the District of Columbia, for special funds and trust funds, the same thing; also under the War Department. The permanent indefinite appropriation, for example, under the District of Columbia is \$1,624,600, and under the War Department it amounts to \$7,786,300. Also under the Navy Department there is a very large sum.

Now, gentlemen of the committee, under the Lever agricultural extension law it amounts to a very large sum. Under what we call the land-grant college contribution it amounts to \$2,500,000.

I heard my friend from South Carolina speak just now concerning these laws. I do not know whether he said they ought to be repealed or not. I am sure he does not mean that these laws should be repealed. They are a permanent policy of our Government, under which we have developed our standing as a Nation, educationally, industrially, and otherwise, and certainly nobody desires to repeal those laws.



Then, under the Agricultural Department, construction of roads and trails in the national forests, and so forth, a million dollars; under the cooperative agricultural extension work, \$4,580,000. We have here a total indefinite amount under the Department of Labor, \$1,434,180.

Whatever objection may be made against this practice, which has continued for more than a half century, the objection now presented by the opponents of this bill is without any force.

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired. The question is on agreeing to the preferential amendment of the gentleman from Illinois [Mr. MADDEN].

Mr. HARDY of Texas. Mr. Chairman, may I have the amendment to the amendment of the gentleman from Illinois read?

The CHAIRMAN. The Clerk will read the amendment of the gentleman from Texas.

Mr. HARDY of Texas. I offer that to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas to the amendment offered by Mr. MADDEN: At the end of the Madden amendment add the following: "Provided, That any part of the fund not appropriated by Congress for the purposes of this act during any fiscal year shall be covered back into the Treasury and constitute a part of the general funds in the Treasury."

Mr. MADDEN. I hope that will not be adopted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. HARDY of Texas. Mr. Chairman, a division. That will make the Madden amendment effective.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 76, noes 98.

Mr. GARRETT of Tennessee. Mr. Chairman, how was the vote?

The CHAIRMAN. Seventy-six ayes and ninety-eight noes.

Mr. GARRETT of Tennessee. I demand tellers.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chairman appointed Mr. CHINDBLOM and Mr. HARDY of Texas to act as tellers.

The committee again divided; and the tellers reported—ayes 101, noes 139.

So the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MADDEN].

The amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Tennessee [Mr. DAVIS] to strike out the section.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. DAVIS of Tennessee. A division. Mr. Chairman.

The CHAIRMAN. The gentleman from Tennessee demands a division.

The committee divided; and there were—ayes 81, noes 139.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chairman appointed Mr. CHINDBLOM and Mr. DAVIS of Tennessee to act as tellers.

The committee again divided; and the tellers reported—ayes 93, noes 132.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### CONTRACT FOR COMPENSATION.

SEC. 403. (a) In order to aid the development and maintenance of the American merchant marine, to promote the growth of the foreign commerce of the United States, to contribute to the national defense and to carry out the policy set forth in section 1 of the merchant marine act, 1920, the board is authorized and directed on behalf of the United States to enter into a contract with any person, a citizen of the United States who is the owner of a vessel, for the payment of compensation in respect to such vessel, subject to the limitations of this title. The board shall not be required to enter into such contract unless in the judgment of the board such person possesses such ability, experience, resources, and character as, in the opinion of the board, to justify a belief that the payment of the compensation will be reasonably calculated to carry out such policies and otherwise promote the general welfare of the United States. The board shall not refuse to enter into any such contract on the ground that such person is not so qualified unless such refusal is specifically authorized by an affirmative vote of not less than five members of the board, and unless the vote and a full statement of the reasons for the refusal are spread upon the minutes of the board.

(b) Such contract shall provide that it shall be made for a period not exceeding 10 years from the date thereof, and shall provide that the payments of the compensation shall be made at reasonable intervals not exceeding 6 months.

(c) The Secretary of the Treasury is authorized and directed to pay out of any moneys in the fund, compensation to the owner of any vessel with whom there has been made a contract under this section; but such payment shall be made only upon vouchers signed by the chairman of the board under authorization of the board. All moneys in the fund are hereby permanently appropriated for the purpose of making such payments and the refunds authorized by subdivision (j) of section 416.

Mr. BANKHEAD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Page 25, line 24, strike out "permanently" and insert in lieu thereof the words "authorized to be."

Mr. BANKHEAD. Mr. Chairman, we have already had before the committee a rather elaborate discussion of the principle involved in the proposed amendment. I do not know that there is very much that I can add by way of objection to the system here invoked of making appropriations so far as this merchant-marine fund is concerned. I know that a considerable number of gentlemen in high authority on the Republican side have been very diligent heretofore in preserving the control by Congress annually over the large appropriations that are made for public purposes.

Here is proposed a proposition to take a very tremendous sum of money, which in effect is being converted into the Treasury out of the pockets of the taxpayers of America, and instead of leaving the control and disposition of it in the hands of the Congress of the United States, it is proposed here, unless my amendment is agreed to, that this enormous sum, amounting annually to at least \$50,000,000 a year, and probably more—I say \$50,000,000, because it is estimated that the revenue receipts at the customhouse under the present bill will amount at least to \$450,000,000 a year, and 10 per cent of that will be converted into this merchant-marine fund—I say it is proposed here under the provisions of the bill that a contract shall be entered into by the Shipping Board for the minimum period of 10 years with these private ship operators, and it certainly will not be within the power of Congress after those contracts are entered into for a period of 10 years at least to change them, so far as the compensation feature is concerned.

It seems to me that in making our appropriations under the Budget system we should avoid such appropriations. I want to say that I was on the special committee on the Budget and favored that measure in principle, and I hope to see it carried out in practice. We were proposing to embark on a new system by which the Congress of the United States should in the last analysis have absolute control over the disposition of the revenues of the Government. It seems to me that we are here invoking a dangerous principle. It seems to me that this amendment which I have offered, in view of the amendment adopted as proposed by the gentleman from Illinois [Mr. MADDEN] is not inconsistent with the attitude expressed by a majority of the committee on that proposition.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman for a question.

Mr. GRAHAM of Illinois. Here is a question in my mind which is entirely a legal one. This appropriation clause seems to be inconsistent with and contradictory to the Madden amendment. Now, if it is not changed, what is the gentleman's idea about the legal construction that will be given to this? Will the last provision control?

Mr. BANKHEAD. Undoubtedly. That is the ordinary and usual rule of construction by the courts, and I think that any lawyer who is familiar with judicial interpretation will agree with that proposition. So that as the matter is now presented on the record, and as it will be written into the law unless my amendment is adopted, you have here before you two absolutely inconsistent and repugnant provisions with reference to these appropriations.

I think that is about all I desire to say on this proposition, Mr. Chairman. I think the amendment is reasonable and in line with the expressed attitude of a majority of this committee on both sides of the House. I trust it will be adopted.

Mr. MOORE of Virginia. May I suggest to the gentleman, in answer to the question of the gentleman from Illinois [Mr. GRAHAM], that the view which the gentleman from Alabama expresses will, I think, be taken by the courts not only for the reason given by the gentleman from Alabama, but any court would also have its attention drawn to the fact that the proviso offered by the gentleman from Texas [Mr. HARDY] had been voted down.

Mr. BANKHEAD. Absolutely.

Mr. EDMONDS. Mr. Chairman, it seems to me ridiculous to hear the Members on the other side of the House talking about



this "enormous amount of money" that they say is going to be taken out of the Treasury and hidden away in some little place, to be used only when called upon by the Shipping Board. They know as well as any Member of the House knows that this is simply a revolving fund, a bookkeeping fund that is not taken out. The money is not laid aside in the Treasury. It is used for other purposes, and other money is used whenever it is called for.

Mr. BANKHEAD. Let me ask the gentleman—

Mr. EDMONDS. I have no time to yield now. I am perfectly willing to accept the amendment of the gentleman from Alabama. There is no reason why we should not agree to it after we have passed the Madden amendment. As far as I am concerned I think it was a mistake to pass that amendment. I do not know how you can expect men to come in and buy a piece of property costing \$600,000 or \$1,000,000 or \$2,000,000 with no guaranty back of it at all from year to year as to what they are to get, excepting the word of some Congress to be elected in the future. However, the House has decided that question and we might as well accept the amendment of the gentleman and let it go through, but I do deprecate the practice of gentlemen who come on this floor and talk about this enormous fund that is going to be hidden away somewhere in the Treasury Department that nobody can find because it is set aside. It is merely a bookkeeping account and the gentleman knows it. All gentlemen know that.

I move that all debate on this section and all amendments thereto do now close.

Mr. DAVIS of Tennessee. Mr. Chairman—

The CHAIRMAN (Mr. Hicks). The gentleman from Pennsylvania [Mr. EDMONDS] moves that all debate on this section and amendments thereto do now close. Those in favor will say "aye," those opposed "no." [The question was taken.] The ayes appear to have it, the ayes have it, and the motion is agreed to.

Mr. DAVIS of Tennessee. Division, Mr. Chairman.

Mr. SEARS. Mr. Chairman, a parliamentary inquiry. The gentleman from Pennsylvania spoke for the amendment. There has been no chance to speak against it. Therefore debate is not closed, and the motion is not in order.

Mr. SANDERS of Indiana. The motion to close debate is in order at any time after five minutes.

Mr. SEARS. There must be one speech for and one speech against.

The CHAIRMAN. The Chair overrules that. For what purpose does the gentleman from Tennessee rise?

Mr. DAVIS of Tennessee. I want to say that this is a very important section, and several amendments will be offered to it. It was announced on the other side that the—

The CHAIRMAN. The Chair can not recognize the gentleman after debate has been closed.

Mr. DAVIS of Tennessee. I asked for a division.

The CHAIRMAN. Debate is closed. The question is on the amendment offered by the gentleman from Alabama.

The question being taken, the amendment of Mr. BANKHEAD was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. DAVIS of Tennessee. Mr. Chairman, I have an amendment that I desire to offer.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

Mr. SEARS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Will the gentleman from Florida wait until we dispose of this amendment?

Mr. SEARS. The gentleman from Tennessee [Mr. DAVIS] asked for a division on the motion to close debate, and the Chair did not put his demand but put the question on the Bankhead amendment instead.

The CHAIRMAN. Then the Chair was in error, because after the Chair had declared the motion carried the gentleman from Tennessee started to debate the amendment.

Mr. SEARS. I know that in railroading this bill through the Chair is liable to be in error, but it is, I am sure, an error of the head instead of an error of the heart; but I make that point.

The CHAIRMAN. The Chair overrules the point of order. The gentleman from Tennessee [Mr. DAVIS] started to debate the question after debate had been closed. The Clerk will report the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 25, line 23, after the word "Board," insert a colon and the words "Provided, That appropriations for such purpose shall have been made by the Congress."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question being taken, on a division (demanded by Mr. DAVIS of Tennessee) there were—ayes 38, noes 92.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask for tellers. The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chairman appointed Mr. DAVIS of Tennessee and Mr. EDMONDS.

The committee again divided; and the tellers reported—ayes 34, noes 105.

Accordingly the amendment was rejected.

Mr. HARDY of Texas. Mr. Chairman, I wish to offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

Mr. HARDY of Texas. I ask unanimous consent to address the House for five minutes on this amendment, which I ask to have read.

The CHAIRMAN. The gentleman from Texas [Mr. HARDY] asks unanimous consent to be allowed to address the House on this amendment. Is there objection?

Mr. MONDELL. I object.

Mr. SEARS. I make the point of no quorum.

The CHAIRMAN. The Chair will state that the vote by tellers a moment ago disclosed a number present considerably over a quorum.

Mr. SEARS. I will state to the Chairman that a good many of the Members have gone into the cloakroom.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-nine Members present, a quorum. The Clerk will report the amendment offered by the gentleman from Texas [Mr. HARDY].

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas: Page 25, lines 1 to 13, after the word "title," strike out: "The board shall not be required to enter into such contract unless in the judgment of the board such person possesses such ability, experience, resources, and character as, in the opinion of the board, to justify a belief that the payment of the compensation will be reasonably calculated to carry out such policies and otherwise promote the general welfare of the United States. The board shall not refuse to enter into any such contract on the ground that such person is not so qualified unless such refusal is specifically authorized by an affirmative vote of not less than five members of the board, and unless the vote and a full statement of the reasons for the refusal are spread upon the minutes of the board."

Mr. HARDY of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks on this amendment.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks on this amendment. Is there objection?

There was no objection.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. HARDY of Texas) there were 21 ayes and 91 noes.

So the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 25, after the word "Board" in line 13, strike out the period, supply a colon, and insert the following: "Provided, That nothing herein shall be held to deny the right of review in any court of competent jurisdiction of the action of the board in granting or refusing compensation; but any such review must be sought within 90 days from the time when the board shall have finally entered an order granting or refusing compensation or entered into a contract and given public notice through the press or otherwise of such action."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 25, line 15, strike out the word "ten" and insert the word "two."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 25, line 15 after the word "not" strike out the words "exceeding 10 years from the date thereof" and insert "extending beyond 10 years from the date of the enactment of this measure."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the amendment was rejected. The Clerk read as follows:

AMOUNT OF COMPENSATION.

SEC. 404. Compensation shall be computed as follows: For each gross ton of the vessel for each 100 nautical miles covered by the vessel, there shall be paid—

- (a) Regardless of the speed of which the vessel is capable, one-half of 1 cent; and
- (b) In the case of a power-driven vessel capable of making (when self-propelled solely by machinery) a speed of 12 knots or over when on such draft as the owner may select, and in addition to any amount payable to such vessel under subdivision (a)—
  - (1) One-tenth of 1 cent if such speed is 12 knots or over but less than 13 knots;
  - (2) Two-tenths of 1 cent if such speed is 13 knots or over but less than 14 knots;
  - (3) Three-tenths of 1 cent if such speed is 14 knots or over but less than 15 knots;
  - (4) Four-tenths of 1 cent if such speed is 15 knots or over but less than 16 knots;
  - (5) Five-tenths of 1 cent if such speed is 16 knots or over but less than 17 knots;
  - (6) Seven-tenths of 1 cent if such speed is 17 knots or over but less than 18 knots;
  - (7) Nine-tenths of 1 cent if such speed is 18 knots or over but less than 19 knots;
  - (8) One and one-tenth cents if such speed is 19 knots or over but less than 20 knots;
  - (9) One and three-tenths cents if such speed is 20 knots or over but less than 21 knots;
  - (10) One and five-tenths cents if such speed is 21 knots or over but less than 22 knots;
  - (11) One and eight-tenths cents if such speed is 22 knots or over but less than 23 knots; and
  - (12) Two and one-tenth cents if such speed is 23 knots or over.

Mr. DICKINSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 27, following line 12, insert a new paragraph, as follows: "SEC. 404½. The Secretary of the Treasury is further authorized and directed to pay, out of any money in the merchant-marine fund, to the consignee of any export tonnage shipped to any port for transportation on any vessel receiving compensation under this act, whether such shipment is made by rail or otherwise to such port of export, a compensation equal to 25 per cent of the freight or transportation charges from the point of origin to such port of export; and for such purposes the board is hereby authorized to gather and collect the necessary data covering said shipments from said point of origin to such port of export, determine the expense of such transportation, and properly certify the same to the said Secretary of the Treasury for payment as herein provided."

Mr. EDMONDS. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. What is the gentleman's point of order?

Mr. EDMONDS. On the ground that as near as I could make out from the reading it proposes to establish freight rates or rebates in freight rates, which is outside of the province of this bill and belongs to the Interstate Commerce Commission.

Mr. DICKINSON. Mr. Chairman, I call the Chair's attention to the fact that this is an act to amend and supplement the merchant marine act of 1920. The merchant marine act provides for the promotion and maintenance of an American merchant marine. One of the essentials in order to provide for an American merchant marine is that cargoes shall be provided in some way. That is as much the province of the committee to extend the merchant marine act to a principle of this kind as it is to the principle of ocean traffic. The only difference is that one goes to the shipowner and the other to the man furnishing the cargo. We are here proposing that a differential shall not be paid unless it is to a vessel which has compensation under this act. We are providing a specific method by which this shipment shall be made. We are providing a means by which the cargo shall be furnished to these vessels in order that the merchant marine shall be successfully promoted as provided in this act. For that reason it is clearly within the purpose of this act and clearly within the purpose of this committee to extend the differential not only to the owners of vessels but also to the shippers that furnish the cargo.

I call the Chair's attention to the fact that 53 per cent of the exports of this country are agricultural, that 96 per cent of that 53 per cent is produced in the Middle West. I call attention to the fact that 47 per cent of the exports are industrial, and that 40 per cent of that 47 per cent is produced west of Pittsburgh, and this is to supplement the merchant marine act by which the funds that go to enhance the shipping facilities are extended not only to the owners of the ships but to the producers that furnish the cargo; not to the aid simply of a few men in Boston, New York, and New Orleans, but to embrace the country generally. This provision would take the merchant marine act to the producer and manufacturer of products and the agricultural products of Ohio and Iowa and the Middle West.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. Certainly.

Mr. BEGG. Supposing the gentleman's amendment is adopted, would not that serve to just increase the freight rates to take care of this?

Mr. DICKINSON. It would not.

Mr. BEGG. Or if it is not adopted, will not the freight rates be just that much cheaper, so what will be accomplished?

Mr. DICKINSON. That would not be the effect at all, for the reason that this provides that out of the merchant-marine fund the shipper or the consignor shall be paid this compensation, and that will put the cargo on these ships, which is just what we want to accomplish.

Mr. BEGG. That merchant-marine fund has to come out of the earnings of the merchant marine.

Mr. DICKINSON. Oh, no; it comes out of the 10 per cent of the customs duty.

Mr. BEGG. It comes out of the transfer of commerce over the ocean.

Mr. DICKINSON. It does not come out of anything except the general customs duty.

Mr. BEGG. It seems to me that all you will do will be to increase your freight rates, and that is a matter to be taken care of by the Interstate Commerce Commission.

Mr. DICKINSON. I think the gentleman's conclusion is erroneous. Suppose this committee should propose that any shipowner who would build a ship which was called "Lasker" or "Edmonds" might be given a present of \$100,000 every Christmas; that would be promoting the merchant marine, which is one of the provisions that would help to put the ships under the American flag.

Mr. CHINDBLOM. Would not the gentleman just as soon call the ship "Chindblom" or "Dickinson"?

Mr. DICKINSON. I would be willing to have it called "Chindblom," but not "Dickinson" with a ship subsidy.

Mr. EDMONDS. Did I understand the gentleman to say that he was going to make me a Christmas present of \$100,000, or is he talking about some ship?

Mr. DICKINSON. I say that that is within the jurisdiction of this committee, because it promotes the merchant marine. For that reason I say that we should have the privilege of not only supplementing our shipping by having the ships on the seas but also by having the cargoes furnished, and this amendment will do it. Mr. Chairman, I want now to call the attention of the Chair to some precedents. I refer first to Hinds' Precedents, volume 5, page 5803:

5803. Whether or not an amendment be germane should be judged from the provisions of its text rather than from the purposes which circumstances may suggest. On January 15, 1901, the river and harbor bill (H. R. 13189) was under consideration in Committee of the Whole House on the state of the Union.

Mr. FRANK W. MONDELL, of Wyoming, proposed an amendment appropriating a sum of money for the construction of three reservoirs at the headwaters of the Missouri River for the purpose of holding back the flood waters of said stream with a view of minimizing the formation of bars and shoals and other flood-formed obstructions to navigation, and to aid in the maintenance of an increased depth and uniform flow of water for navigation during the dry season.

Mr. THEODORE E. BURTON, of Ohio, made the point of order that the amendment was not germane to the bill, since the means proposed could not affect navigation, but rather related to the improvement of arid lands.

After debate, the Chairman said:

"The Chair holds that as the amendment is framed it is germane to the subject matter of the bill and the subject matter over which the River and Harbor Committee has jurisdiction. Now, whether that correctly presents the facts of the case is to be determined on the merits. But as the amendment is presented and read by the Clerk it appears to the Chair that it is entirely proper and germane to the bill, and therefore the Chair will overrule the point of order."

I next call the attention of the Chair in the same volume to section 5909, which is as follows:

To a bill providing for an interoceanic canal, specifying a certain route, an amendment providing for another route was held to be germane. On January 9, 1902, the Committee of the Whole House on the state of the Union was considering the bill (H. R. 3110) to provide for the construction of a canal connecting the waters of the Atlantic and Pacific Oceans when Mr. RICHARD W. PARKER, of New Jersey, proposed an amendment providing for a canal across the Isthmus of Panama.

Mr. OSCAR W. UNDERWOOD, of Alabama, made the point of order that the amendment was not germane, because, while the bill provided for a canal at Nicaragua only, the amendment provided also for a canal at another place. After debate the Chairman said:

"The subject matter of this bill—the enterprise upon which the House has entered—is, in the language of the bill—

"To construct a canal to connect the waters of the Atlantic and Pacific Oceans."

"The Chair is of the opinion that is the purpose of the legislation sought; that the question of location is wholly a subordinate one; and that it is perfectly competent for Congress to reject one location and to adopt another. For instance, suppose it was a question of the building of a house for the purpose of storing the records of the Government, and a bill was introduced to locate it on a certain square in this city. Can anybody doubt that the proposition might be amended so as to locate it upon another square?"



Mr. Chairman, it ought to be permissible under these precedents for Congress to expand the provisions by which the merchant marine can be established and extend them where cargoes may be furnished for shipment on these ships. That is all we are attempting to do. I contend that this is only furthering the purpose of the merchant marine act, and for that reason this amendment will go further and assure cargoes to be shipped on these ships than any other provision that has been heretofore made. You have gone into the question of financing here, and you have gone into the matter of interest rates and tax exemptions. You have gone into every phase of this question with the exception of cargoes for these vessels. I contend that for the promotion of the merchant marine it is entirely within the jurisdiction of this committee, and for that reason my amendment is germane.

Mr. EDMONDS. Mr. Chairman, the gentleman from Iowa makes a very good argument in favor of his amendment, but if you will look at the title of this section of the bill it will be seen that it has no reference at all to railroad rebates or freight rates. It has nothing to do with anything that the Interstate Commerce Commission has jurisdiction of. It strikes me it is not germane to the section, that it provides for rebates in freight rates, which is a practice that has been prohibited by the laws of Congress. Therefore, it is not even a subject for legislation by this Congress unless we wish to upset those laws.

The CHAIRMAN (Mr. Hicks). The Chair will rule on this point. While the argument presented by the gentleman from Iowa has a good deal of substance, the Chair feels that the gentleman is in error in his conclusion. The Chair invites his attention to section 5842, volume 5, of Hinds' Precedents, where it is held that to a bill relating to corporations engaged in interstate commerce an amendment relating to all corporations is not germane.

The Chair thinks this is not an amendment germane to this bill. It is an amendment relative to rebates to shippers, whereas the bill relates to aid to shipowners, and therefore the Chair holds that the point of order is well made. The Clerk will read.

Mr. RAKER. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman is recognized.

Mr. RAKER. Mr. Chairman, this section relates to speed of vessels and what can be done. I have asked several members of the Committee on Merchant Marine and Fisheries whether or not any investigation was made as to the loss of time that was occasioned in the examination of hulls, boilers, and machinery of our American vessels. I am advised that none was had. I am advised that England and most of the other nations examine their vessels and there is no loss of time, but that in the American merchant marine which we have there is a loss of a month or 30 days or more every year. In other words, ships were tied up for one-twelfth of the time that they should be occupied in doing their work. One-twelfth of their earning power is lost by want of proper inspection. Second, I also inquired whether or not in these hearings, two large voluminous volumes, there was an investigation of the admeasurement of American ships as compared to the English ships. I am advised that no investigation was made.

Mr. EDMONDS. Does the gentleman mean—

Mr. RAKER. I am advised that in the admeasurement here as compared with the English ships there is from 15 to 30 per cent more on the American ships than on the English.

Mr. EDMONDS. Will the gentleman yield?

Mr. RAKER. In just a moment. So that every port where a vessel enters they have to pay that additional amount over that which the English ships have to pay.

Mr. EDMONDS. Does the gentleman want me to correct him?

Mr. RAKER. Therefore if that was provided for under the law to-day there would be no necessity whatever for this subsidy to be given to a few favored interests.

Mr. EDMONDS. What the gentleman states is not correct, for the simple reason we made an investigation of this a short time ago in connection with vessels, and we found this: That each vessel was furnished with two admeasurements; one, the foreign, and when in foreign ports she was allowed—

Mr. RAKER. But I am advised by Members on this side of the House that there has been no investigation, and why not?

Mr. EDMONDS. We had Mr. Chamberlain, the head of the department of navigation, before the committee, and the matter was investigated.

Mr. DAVIS of Tennessee. Does the gentleman say on this bill?

Mr. RAKER. That is what I say, on this bill, and my point was that if two matters, namely, if the examination of the boilers of our merchant marine was had, as they should be, and there were not 30 to 40 days lost every year, at least one-twelfth of their earning power, and we had the same kind of admeasurement as foreign vessels, that would supply a sufficient amount to the merchant marine so that this subsidy would be unnecessary. Now, I ask unanimous consent that I may, in addition to my remarks, extend in the Record an editorial of the Washington Daily News of yesterday on this subject.

The CHAIRMAN. The gentleman from California asks unanimous consent that he may extend his remarks in the Record by inserting printed matter, as indicated.

Mr. MONDELL. How much printed matter?

Mr. RAKER. About 12 inches long.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The time of the gentleman has expired.

The editorial is as follows:

#### TWO REAL HANDICAPS.

The plea for ship subsidy is almost wholly based on the claim that wages and conditions imposed by the seamen's law handicap the American shipowners as against foreign owners.

This newspaper will discuss that phase at a later time; but in the meantime two real handicaps may be pointed out. Here goes: Every nation requires that a ship's hull and its boilers and engines be inspected once a year. It is the practice of foreign nations to provide for this inspection in a way that will not hold ships idle and so cause loss of earning time.

A British ship coming into a British port can notify the inspector of boilers and the inspector of hulls by wireless. They will have men ready as soon as the ship comes in and they will inspect just as much as they can while the ship is discharging cargo and taking on new cargo. But the moment the ship is ready to sail it is given a certificate for such part of the inspection as has been completed and is allowed to proceed. This is repeated in various ports and is acceptable if the entire inspection is completed in the course of the year.

The American system of inspection requires the inspection take place all at once, which means the drawing of the fires under all the boilers. The boiler inspector does his work when and as he pleases, and the hull inspector may or may not be working at the same time. The effect in practice is that the foreign ships do not lose an hour of possible working time for the purpose of inspection, while American ships lose about a month a year out of their earning time. It is this loss of time imposed by arbitrary, bureaucratic rules under executive sanction that handicaps American shipowners to the extent of nearly 10 per cent of their earning possibility.

Again, all the other ships in the world have a formula for measurement of tonnage which is different from the American measurement. Every time a ship goes into port it must pay fees and dues of many sorts based on tonnage; every time a ship goes through the Panama or Suez Canal it must pay tolls based on tonnage.

The American method of measurement rates an American ship which may be exactly like a foreign ship at from 20 per cent to 30 per cent greater dead-weight tonnage than a foreign ship is rated. That means that it must pay in all sorts of dockage, towage, clearance, and other fees, as well as all canal tolls, from 20 to 30 per cent more than the foreign competing ship has to pay.

The excess tolls and charges are paid to foreign governments and foreign officials and are in the nature of a penalty imposed by this Government unnecessarily and without reason upon ships owned by Americans.

Here are two handicaps which, if the friends of subsidy are correct in their statement of its amount, would alone if removed make subsidy unnecessary.

And the beauty of it is that the benefits would go at no expense to all American shipowners, instead of the favored few who would get subsidy.

Even coming from the President, advice to Congressmen to ignore their constituents and vote for the subsidy won't get very far. POINDEXTER, KELLOGG, TOWNSEND, and company took that advice from the same source on Newberryism, and look what happened to them!

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and all amendments thereto close in one minute.

The motion was agreed to.

Mr. GRAHAM of Illinois. Mr. Chairman, I desire to submit some observations on this particular section, but I do not care to take the time of the committee to do it, and therefore I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GRAHAM of Illinois. The section now under consideration is the section fixing a cash subsidy to be paid to shipowners operating their ships under the American flag. The committee have computed what they think is a fair and reasonable amount according to tonnage and speed. Whether it is or not, I do not know. If this subsidy is sufficient to pay the difference in cost of operation of ships under the American flag and under a foreign flag, and no more, then it is in the right amount, for that ought to constitute the true basis upon which the allowance of such a subsidy is justified. To build up a merchant marine is a matter of great national moment. But to do so it is not desirable, nor is it necessary, to give to the operators of such ships special privileges which permit them to operate at a profit, without initiative and enterprise on their part, and without any compulsion of competitive trade.

And here I desire to make a few observations about this whole subject matter. The Republican Party, now in control



of the affairs of the Nation, is trying to formulate some policy and some plan upon which we may at once conserve the value of our great fleet of merchant ships and at the same time build up and establish a merchant marine.

What produced this necessity? During the war the Wilson administration started to build 18,300,448 dead-weight tons of ships. When the armistice came only about 450 of these ships were completed; 2,288 ships altogether have been built, and hence 1,838 have been delivered since the armistice. The Democratic Party was the majority party in both House and Senate at that time, and it was their problem whether we should go on building ships after the war was over or should cancel our contracts and stop building.

Notice what happened. On February 24, 1919, the gentleman from Kentucky, Mr. Swager Sherley, chairman of the House Committee on Appropriations, brought upon the floor of the House for discussion an emergency appropriation bill. It carried, among other items, appropriations of approximately \$600,000,000 for the continuation of the work of building merchant ships and completing this enormous program of shipbuilding. A Democratic committee prepared that bill; a Democratic Congress passed it; a Democratic President signed it. When Members upon the floor interrogated Mr. Sherley and asked him why the contracts were not canceled and work stopped, he stated on numerous occasions that those in charge of the Shipping Board—appointees of President Wilson—had insisted upon a completion of the ships and that his committee recommended this course. As to the future, he said:

That is what I am going to try to come to. I did not want, gentlemen, to go into the question of a shipping policy for this Government except to say this: That I think it is of the very highest importance that a policy should be determined, and determined at a very early date, and that almost any policy would be better than a complete absence of one that exists now and the drifting that has taken place in connection with the whole question of our merchant marine and what we propose to do with it. I know nothing that is more important than that there should be presented to the Congress a real program, one that the Congress in its wisdom may modify or accept as the facts may warrant, but to drift along, having what will amount in a last analysis to nearly \$4,000,000,000 investment in ships and in plants, without any knowledge of what we are going to do with it, seems to me the height of national folly.

As to the matter of policy, I simply presented this situation to the House and to the country, that we have invested practically in moneys spent, and moneys contracted to be spent, something like \$4,000,000,000. Now, that was made necessary because of the war, and we went ahead.

There was no division and there was no question. There was not 3 per cent of the people in America that questioned the wisdom of building ships at the time these commitments were made in the spring and early summer of last year. But, having done that, I think it is up to the Shipping Board, I think it is up to this administration, I think it is up to the Congress to work out a plan. I do not care whether it is a Republican or Democratic plan if it is the right plan.

Not only did he express these ideas, but the gentleman from Virginia, Mr. Saunders, then one of the leaders upon the Democratic side, a very able man, since elevated to the bench of his State, said:

Here is the situation that confronts us to-day. We have been building ships at a great rate as a part of our war operations. If we take those ships that the Government has contracted for on Government account and turn them over to the American capitalist at a cost which will match the cost of the ships of his foreign competitor, then the American can enter, so far as the race is concerned, up to that point on equal terms, but that means, of course, that the Government will bear all loss connected with the transaction of sale. The moment that the Government of the United States is willing to take that action, that very moment we can put American capital into business on the high seas under favorable conditions, so far as his foreign competitor is concerned. But even after you have gone that far, if the cost of operating the ships on the high seas is greater than the cost to the foreigner, you must go one step further. It will be necessary to guarantee out of the Federal Treasury to any capitalist who proposes to go into the shipping enterprise the difference between the cost of maintenance of his operations and the cost of the foreigner's maintenance. \* \* \*

The whole problem is one not of legislation, but of appropriations. The moment that the Government is willing to launch merchant-marine operations on the high seas on the basis that I have suggested, then at that very moment, so far as private capital is concerned, it can enter into competition with the foreigner on a fair and equitable basis, but not sooner.

Thus it will be seen it was Democratic policy to build this fleet and then work out a policy. But over two years went by, from February, 1919, to March 4, 1921, during all of which time President Wilson was in office and the Shipping Board presumably subject to his control, and no constructive policy was offered to the country.

It is interesting also to note what the Democratic administration did in their shipbuilding program after the armistice. The shipbuilding continued throughout 1919 and most of 1920. In 1919, 1,180 ships were delivered to the Government, 408 of which were wooden and known to be absolutely worthless; while in 1920, 473 were delivered, 61 of which were wooden.

The child is not ours; it was laid on our doorstep by the last administration. When we take it up and try to instill the breath of life into it, those who are responsible for its existence criticize us for not letting it die.

We must have some constructive policy. I do not know that we have in this bill the best one. But this I do know, no one on the other side of the Chamber has any right to raise his voice in criticism.

The Clerk read as follows:

SEC. 405. For the purpose of computing compensation under this title—

(a) A vessel shall be held to be power-driven if it is equipped so as to be self-propelled through the use of machinery, and if the rated horsepower of the propulsive machinery exceeds one-third the gross tonnage of the vessel;

(b) A vessel shall be held to be a sailing vessel if it is equipped so as to be self-propelled through the use of sails, and is not equipped so as to be self-propelled through the use of machinery;

(c) The gross tonnage of a vessel shall be as determined under the laws of the United States and stated upon the vessel's certificate of admeasurement;

(d) The speed which a vessel is capable of making on such draft as the owner may select, shall be ascertained by the board at such reasonable intervals and by such methods as the board may by regulation prescribe;

(e) The mileage covered by the vessel shall be determined solely by the distances of the direct, customary route, for vessels of the same type and kind upon similar voyages, between the ports touched by the vessel, based upon tables of such distances approved by the board; except that if such distances do not, in the opinion of the board, fairly represent the distances which, under efficient operation, are required actually to be traversed by the vessel upon its voyage, the board may increase the mileage to such an extent as it deems fair and reasonable; but in no case shall the mileage as so increased be in excess of the mileage actually traversed by the vessel;

(e) In computing mileage a fractional part of 100 miles shall be disregarded unless in excess of 50 miles, in which case it shall be counted as 100 miles;

(f) Any power-driven vessel of 5,000 gross tons or less but of 1,500 gross tons or over, shall be considered as if it were a vessel of 5,000 gross tons.

Mr. RAKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RAKER. The motion to strike out section 404 has not yet been put, has it?

The CHAIRMAN. Was not that a pro forma amendment?

Mr. RAKER. No; that is a real amendment.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from California, to strike out the section.

The question was taken, and the motion was rejected.

Mr. HARDY of Texas. Mr. Chairman, I move to strike out subsection (f) on page 28, beginning with line 20 and ending with line 22. It is a proposition by which a 1,500-ton vessel shall be paid a subsidy on the basis of a 5,000-ton vessel.

The CHAIRMAN. Will the gentleman wait until the amendment is properly before the committee? The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas: Page 28, beginning on line 20 and concluding with line 22, strike out subsection (f).

Mr. HARDY of Texas. Will the Clerk read subsection (f)?

The CHAIRMAN. The Clerk will read the subsection.

The Clerk read as follows:

(f) Any power-driven vessel of 5,000 gross tons or less but of 1,500 gross tons or over shall be considered as if it were a vessel of 5,000 gross tons.

Mr. HARDY of Texas. Mr. Chairman and gentlemen, I do not think there is any great amount of importance attached to this amendment, but this is a provision by which every little vessel on the Atlantic or Gulf coast or Pacific coast of 1,500 tons shall be rated as of 5,000 tons, by which the actual subsidy of 1½ cents per ton per hundred miles shall be paid instead of one-half cent per hundred miles. It seems to me that if we mean 1½ cents, we ought to say so. I move to strike out the subsection.

Mr. KIRKPATRICK. Mr. Chairman, the purpose of this subsection (f) is to give a subsidy to all such boats running from 1,500 to 5,000 tons. The cost of operating those small steamboats or steamships does not vary to any appreciable extent with the size of the ship, and it is a very important matter, because we have a lot of these small boats plying particularly in the West Indian trade, and when we come to compensate them we will find that the pay rolls of those boats is about the same, regardless of their size. The largest single item in the cost of operation is the compensation of the officers.

That is the purpose of this section. I think it ought to remain in the bill.

Mr. Chairman, I move that all debate on this section and amendments thereto be now closed.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The question was taken, and the motion was rejected.

The CHAIRMAN. Before the Clerk proceeds the Chair wants to call the attention of the chairman of the committee to what



is evidently an error in the lettering on page 28. Line 5 in that section is lettered "(e)," and then on line 17 of the same page there is another "(e)" in that subdivision.

Mr. EDMONDS. Mr. Chairman, I move that the Clerk be authorized to make the change.

The CHAIRMAN. The Chair also wants to call the attention of the gentleman to the misspelling of the word "or" at the end of line 20 on the same page. The gentleman from Pennsylvania [Mr. EDMONDS] asks unanimous consent that the Clerk be permitted to correct the misprint in the text and also the lettering. Is there objection? Without objection, that will be done.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

WHEN VESSELS NOT ENTITLED TO COMPENSATION.

SEC. 406. (a) Compensation shall not be paid in respect to any sailing vessel whose tonnage is less than 1,000 gross tons, and shall not be paid in respect to any other kind of vessel whose tonnage is less than 1,500 gross tons.

(b) Compensation shall be paid in respect to any vessel only for mileage covered while the vessel—

(1) Is a privately owned merchant vessel; and  
(2) Is registered or enrolled and licensed under the laws of the United States; and

(3) Is self-propelled by sails or machinery, except when in distress or being aided by means of tugs or other assistance on entering or leaving port or in navigating any inland or restricted waterway; and

(4) Is classed by the American Bureau of Shipping in the highest classification open to vessels in its type and kind according to the rules of the bureau; and

(5) Carries a crew (exclusive of licensed officers required by law) at least two-thirds of which are citizens of the United States, and the remainder of which are individuals eligible to United States citizenship. During the first year after the enactment of this act the required number of citizens of the United States shall be one-half instead of two-thirds, and during the second year six-tenths instead of two-thirds. In the case of passenger vessels the provisions of this paragraph shall apply only to the deck and engine departments. If the vessel is deprived of the services of any member of the crew by desertion, casualty, or other cause beyond the control of the master in any port outside the United States or on the high seas, the right of the vessel's owner to compensation during the period prior to the next arrival of the vessel at a port in the United States shall not be impaired by failure to comply with the provisions of this paragraph, provided the owner and the master of the vessel exercise reasonable diligence to procure the necessary individuals to comply with such provisions. If the vessel is outside the United States at the time of the enactment of this act, or on the first day of the second or third year after the enactment of this act, the owner shall not be required to comply with the provisions of this paragraph applicable to such year until her first arrival at a port in the United States if he complies with the provisions of this paragraph applicable to the previous year.

(c) Compensation shall not be paid in respect to any vessel unless the vessel—

(1) Is registered, enrolled, or licensed under the laws of the United States on the sixtieth day after the enactment of this act; or

(2) Is built in the United States, its Territories or possessions, or the Canal Zone after the enactment of this act; or

(3) Is at the time of the enactment of this act undocumented and owned by a person, a citizen of the United States, and is not thereafter documented under the laws of any foreign country; or

(4) Is owned by the United States at the time of the enactment of this act and is not thereafter documented under the laws of any foreign country; or

(5) Was built in a foreign country before the enactment of this act and is within three years after the enactment of this act registered under the laws of the United States, except that compensation shall be paid in respect to any such foreign-built vessel only if such vessel is, upon the affirmative vote of at least five of the members of the board, specifically authorized to receive compensation and specifically certified to be essential to the proper development of the merchant marine of the United States by reason of the particular type or kind of vessel, and if such vote and a full statement of the reasons for such authorization and certification are spread upon the minutes of the board.

Mr. EDMONDS. Mr. Chairman, I have an amendment that I want to offer.

The CHAIRMAN (Mr. TILSON). The Clerk will report the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: Page 31, line 18, insert a new paragraph (6) as follows:

"(6) From the total amount of compensation earned in respect to any voyage there shall be deducted an amount which bears the same ratio thereto as the revenue attributable to the carriage of cargo owned by the owner of the vessel or any person affiliated with him within the meaning of subdivision (c) of section 409 bears to the total revenue attributable to the carriage of passengers, cargo, and mails. For the purpose of this subdivision the amount of revenue attributable to the carriage of cargo owned by the owner of the vessel or any person so affiliated with him shall be considered to be such amount as is determined by the board as representing the fair value of the services performed by the vessel in transporting such cargo."

Mr. EDMONDS. Gentlemen, this is the Standard Oil amendment that I promised you the other day that I would offer. I am not going to vote for it. I notify you now.

But I want to say this: Unfortunately, while endeavoring to hit at the Standard Oil, which seems to be a kind of a bugaboo to some of the gentlemen of the House, we also hurt

some very good small concerns in this country. The amount of tonnage involved will probably be 2,000,000 tons. The amount of subsidy will probably be three or four million dollars.

These oil ships belong to a number of concerns. Out of the 2,000,000 tons the Standard Oil owns about 600,000 tons. We find here that in trying to get hold of the United Fruit Co. we hit the Atlantic Fruit Co., a young, growing concern with four boats of 4,000 tons. In trying to get hold of the Union Oil we hit the Bermudez Transport Co., another concern that runs to Venezuela. We find that in trying to get hold of the Standard Oil, the Sun Oil, and some other large concerns we hit the Texas Oil, the Sinclair Oil, and the Gulf Refining Co. In trying to get at the United Fruit Co. we also hit the Atlantic, Gulf, and West Indies ships, the Union Oil, the Freeport Sulphur, the Union Sulphur Co., the Bermudez Transport Co., the Atlantic Fruit Co., the General Petroleum Co., and others.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. GARRETT of Tennessee. The lines which the gentleman mentions are operating now, are they not?

Mr. EDMONDS. Yes; those are lines that are now operating.

Mr. GARRETT of Tennessee. And, of course, without any subsidy.

Mr. EDMONDS. Their vessels are documented under the laws of the United States and operating now.

Mr. BLANTON. Will the gentleman yield?

Mr. EDMONDS. I can not yield now.

Mr. BLANTON. On the gentleman's amendment.

Mr. EDMONDS. We know that the United Fruit Co. does a commercial business along with its own business. We know that the Bermudas Asphalt Co. does some commercial business along with its own business. We also know that the Atlantic, Gulf, and West Indies boats do some commercial business along with their own business. We also know that pretty nearly all of these companies probably do a little commercial business.

We know that the United States Steel Products Co. and the isthmian lines are out asking for commercial business, advertising for it, as are also the ships of the United States Steel Co. Now, what does my amendment do? It says that such portions of the cargo as may belong to the owner or affiliated corporations—and we are very careful in our definition of affiliated corporations—can not get the subsidy. The proportion of the ship that is used for the owners' cargo can receive no subsidy. In other words, we will say one-half the ship is owners' cargo, or 25 per cent is owners' cargo, or 75 per cent is owner's cargo. We deduct that much from the subsidy which they would otherwise get. I think that is fair. I think it is honest. I do not believe any gentleman in the House would want to oppose it, and I believe we ought to pass it.

Mr. BLANTON. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. BLANTON. Will the gentleman's amendment do what it says we ought to do?

Mr. EDMONDS. Beyond any question.

Mr. BLANTON. Could not the gentleman have put it in a little plainer language?

Mr. EDMONDS. I have written this amendment three times, and I can not get it any plainer than it is there.

Mr. BLANTON. It is a conglomeration of words, and I do not think it means what the gentleman thinks it means.

Mr. EDMONDS. I think it does, and the legislative drafting bureau thinks it does, and of course I can not help the gentleman's thoughts in the matter. I would be glad if I could impress his mind with the value of this amendment, and also with the real truth that the amendment covers what he desires to do.

Mr. DAVIS of Tennessee. Mr. Chairman, during the hearings certain members of the committee made very strenuous efforts to do what the gentleman from Pennsylvania [Mr. EDMONDS] is now proposing to do, but all of our efforts were repelled. Now they have seen the light. I do not know whether it is due to a change of heart on their part, or due to the fact that they need votes, or whether it is also due to the fact that we see from the press that on yesterday the Atlantic Refining Co., a Standard Oil subsidiary, declared a stock dividend of 900 per cent. The Atlantic Refining Co. has been paying an annual dividend of 20 per cent on stock of \$1,700 par value. These \$100 shares now sell at \$1,300 per share. Then there is another dispatch from Chicago to the effect that a special meeting of the stockholders of the Standard Oil Co. of Indiana has been called to meet December 27 to decide whether the capital stock of the company shall be increased from \$140,000,000 to \$250,000,000. If the in-

crease is approved, it is proposed to issue a stock dividend of 100 per cent.

Now, the amendment proposed by the gentleman is, as the gentleman from Texas [Mr. BLANTON] suggests, very muddy in its language. I am not sure that I know just what it means, although I have studied it closely. But assuming that it means all that the gentleman from Pennsylvania claims, I am sure he will admit that these industrial carriers will still receive subsidies upon all other products which they carry, and that the amount to which they are thus entitled is to be decided by the Shipping Board, that being one of the numerous powers lodged in the Shipping Board. And how and upon what will the Shipping Board determine it? Upon the reports made to them by the Standard Oil Co. and these other industrial concerns, because there is no method provided in this bill by which auditors could be sent to audit their books or anything of that kind. They would simply have to depend upon the reports made to them by these companies.

I want in this same connection to call the attention of Members to the fact that even if this direct subsidy is taken from these industrial companies for carrying their own products instead of serving the public, under the provisions of the bill they will still receive all the other privileges and benefits carried in this bill. They will still get their tax exemptions, they will still get the various other indirect benefits that are provided in this bill. Now the amendment, in my opinion, is not sufficiently clear. In the second place I do not think it goes far enough to protect the interests of the public, even in that respect, and it is simply in line with the policy that has been pursued all along with regard to this proposition; because the bill as originally introduced provided that before any of these industrial concerns were entitled to a subsidy they should hold themselves out as common carriers to the extent of one-third of their cargo space. But that was exposed to such an extent by the committee that they abandoned that and struck out that requirement.

Right on that point I want to call your attention to an article that was written by Winthrop L. Marvin, and it states in the headlines of the article as follows:

The merchant marine bill of 1922 analyzed. One of the experts who assisted the Shipping Board in framing the bill outlines its merits.

In that article he says:

Under one of the provisions of section 701 oil tank carriers and light craft owned by great producing companies are required to hold open until 10 days before sailing substantially one-third of their cargo capacity for use as the common carrier in order to be eligible to the compensation provided. Here again is a provision manifestly inserted to smooth the passage of the bill to meet objections certain to be raised by a certain class of lawmakers.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the last word. It is apparent that no modification which we can suggest will be satisfactory to my good friend, the gentleman from Tennessee, and gentlemen on the other side of the aisle. When the gentleman from Pennsylvania made the announcement that he would offer an amendment in good faith that would cover the objections made in regard to this proposition and when he has kept faith in pursuance of such promise, we find our good friends who are opposed to the legislation altogether shaking their heads and expressing doubt as to whether the actual purpose is going to be accomplished. Now, personally, I regret that this amendment is offered to this bill. I think the time will come when we will regret that we have permitted the oil tankers and these other ships so admirably fitted for our purposes in time of war—I say the time will come when we will regret that we permitted these ships to go under other flags. That will be the result. We are driving them under other flags where they can operate at a less expense and where they will not be handicapped by the provisions that we have put upon the statute books. I think we have discussed this question in all of its phases, and I therefore move that all debate on this amendment be now closed.

Mr. BANKHEAD. I hope the gentleman will not make that motion. This is a very important amendment, and I think we ought to have an opportunity to discuss it. I would like to have five minutes.

The CHAIRMAN. The gentleman from Illinois moves that all debate on this amendment be now closed.

Mr. MONDELL. Mr. Chairman, I move to amend the motion that all debate on this section and amendments thereto be now closed.

Mr. J. M. NELSON. Oh, Mr. Chairman, I trust that gentlemen will not shut out the opportunity to offer amendments and discuss them. I want to offer an amendment.

Mr. MONDELL. The gentleman can offer his amendment.

Mr. SEARS. Mr. Chairman, there has been no discussion of this amendment except upon one side.

Mr. MONDELL. Well, Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

Mr. BANKHEAD. I hope the gentleman will not include all amendments. I have some amendments I want to offer and discuss.

The CHAIRMAN. The question is on the motion of the gentleman from Wyoming that all debate on this section and amendments thereto close in 10 minutes.

The question was taken; and on a division (demanded by Mr. MONDELL) there were 66 ayes and 32 noes.

So the motion was agreed to.

Mr. GARRETT of Tennessee. Mr. Chairman, I want recognition for about a minute to discuss the amendment.

The CHAIRMAN. The Chair will recognize the gentleman from Tennessee.

Mr. MONDELL. But, Mr. Chairman, the gentleman from Wisconsin had an amendment that he was about to offer.

Mr. GARRETT of Tennessee. I will yield the floor.

Mr. J. M. NELSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 29, strike out lines 22 and 23.

Mr. J. M. NELSON. Mr. Chairman, I want to call attention to the subject of American seamanship.

The CHAIRMAN. The Chair will call the attention of the gentleman from Wisconsin to the fact that there is already an amendment to an amendment of the gentleman from Pennsylvania. The gentleman's amendment can be read for information.

Mr. GARRETT of Tennessee. The amendment offered by the gentleman from Pennsylvania will have to be disposed of first.

Mr. J. M. NELSON. Then, Mr. Chairman, I will withhold my amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, I wish to say this in regard to what was said by the gentleman from Illinois [Mr. CHINDBLOM]. He stated his apprehension that these tankers, as I understand, and the United Fruit Co.'s vessels might be driven under the flag of some other country. It does not seem to me that there is any just ground for that apprehension. These vessels have been operating for many years without any subsidy, and there certainly can be no legitimate excuse for their being transferred to another flag. If they do so, it will not be because of this legislation.

Mr. MONDELL. Many oil tankers are not under our flag.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Chair will now recognize the gentleman from Wisconsin. The Clerk will read the amendment.

The Clerk read as follows:

Page 29, strike out lines 22 and 23.

Mr. J. M. NELSON. Mr. Chairman, if that carries, I am going to offer this proviso:

*Provided*, That the foregoing paragraph determining the number of citizens of the United States and the eligibility of individual members of the crew shall apply to all American vessels of 100 registered tons and upward leaving any port of the United States on any voyage.

I do this to test the sincerity of gentlemen like my good friend from Illinois [Mr. CHINDBLOM], who tells you about the emergency features and the necessity of Standard Oil ships for war purposes.

Mr. CHINDBLOM. Does the gentleman doubt the sincerity of the gentleman from Illinois?

Mr. J. M. NELSON. Mr. Chairman, neither the present subsidy bill nor any other that treats sea power as a flower to be raised in a hothouse can succeed in accomplishing its ostensible purpose. This is the position of well-informed and experienced seamen. Power on the sea, they insist, has through the historical periods been so absolutely and exclusively in the possession of the nations or races that develop the seamen that it is surprising, to say the least, to men who know, that anybody after any study of this question should propose to grow such a flower in a subsidy hothouse.

Seamen no doubt began as fishermen in the rivers, then on the seacoast, then on the banks near the coast, at first in carrying their own produce and later the produce of others in vessels built for that purpose. They captured the whale on the coast, then after a while followed him, and finally sought him



wherever he could be found. It was always the men. And the men gradually developed their tools from the log in the river to the modern ship, which is the product of men and the need that men felt for the tools necessary to their calling. From this it seems an indisputable fact that sea power is in the seamen, that vessels are the tools of seamen; and that they ultimately belong to the races and nations that know how to use them. Seamen do not grow on shore; they are not trained on shore. The knowledge of seamen is the product of the ages; and probably about 75 per cent of that knowledge is carried forward from one generation to another by word of mouth and example.

Seeking some definition of the different ratings of seamen and trying to make descriptions, the Labor Department some time ago furnished substantially the following:

#### THE BOY

Must be of good physique, have good eyes, good ears, and a stout heart. When he comes on the vessel, everything is new and strange. He is gradually being accustomed to his new surroundings; he is learning to stand on the platform that is never still; he is learning to walk; his body is gradually acquiring the sea habit—he is getting sea legs. He is doing such work as he can, assisting the able seaman or the ordinary seaman in the work on the vessel. When he has learned sufficiently, and it usually takes about one year, he becomes an

#### ORDINARY SEAMAN.

As such he is learning more about the vessel under the continually shifting conditions. His sea legs are being perfected. He is continuing to learn more and more about the vessel's gear, the names, what it is used for, and where it is found. In daylight or darkness he must be able to find it. He is learning to use the gear, to repair it, and, where possible, to replace it. As he becomes more skillful he becomes more useful, and after about two years as ordinary seaman he becomes, by virtue of his skill, an

#### ABLE SEAMAN.

The work required from him is such that he needs the physical development which is not usually reached before the age of 19, and practically all countries make this age the minimum. He must now be so accustomed to the sea that he can stand on his feet in all kinds of weather without supporting himself by his hands, because he has other use for them. His body must have acquired the faculty of automatically so corresponding to the vessel's movements that he can stand on his feet, see with his eyes, hear with his ears, use his judgment, exercise his will, and make his body obey. If he has not learned this and is yet alive, he has in probability but a short time to live. He must know the vessel, her appliances, her gear, and the boats. He must be able to use, to repair, and, as far as possible, to replace the gear and appliances and to lower and manage the boats. He must by this time have acquired so much of the traditions and lore of the sea that he has a full appreciation of his duty to his shipmates, the passengers, the ship, and her cargo.

Boatswain, boatswain's mate, and quartermasters are able seamen picked to perform more special work, and this choice is usually made because of special fitness or because he possesses qualities of command. These ratings are usually considered "petty officers," but they are, in fact, just able seamen—given a special rating.

The able seaman ought to sail as such for at least one year before he be permitted to present himself for examination as an officer. Having learned the ship, her gear and appliances, and something about what the ship will do under her power, mechanical or sail, and feeling an ambition to become an officer, he will go to a navigation school to acquire the knowledge necessary to find his position by dead reckoning and astronomical observations. When he has obtained a certificate to this effect and obtains a position as fourth, third, or second mate, he is in fact an

#### OFFICER.

As he was learning to use, repair, and replace the vessel's gear, he is now learning what a vessel can be made to do under sail, steam, or other mechanical power under different conditions as to weather and sea. The master is there to teach him and he is given opportunity to develop his own judgment by the experience through which he is now passing.

From among the fourth mates the third mates are selected after either a customary or a statutory period served in the lower capacity. The wise, if not always the customary, method is to select for advancement—from a lower to a higher rating or grade—those who give evidence of the greatest capacity. As experience increases, the certificates are raised until the grade of first mate or chief officer is reached. From these (after proper examination for a master's certificate) the employer—the shipowner—selects the man to whom he will intrust his vessel. He is now expected to know all that a vessel can be expected to do under the skillful use of such motive power as the vessel has. But aside from these accomplishments he must know the master's duty in port and at sea under the laws of his own country and the laws of nations. He must know something of medicine, to give at least first aid to the injured or sick. He must, in order to be a successful master, know how to pick out efficient officers and men, how to make the best use of men and materials in keeping the vessel in order and away from the repair yards and repair shops. Upon this will depend the quickness of the turn around and the ability of the vessel to pay dividends.

The development from boy to master must be open to all as nearly as possible upon equality. Only thus can the calling acquire, develop, and keep the best service, which means the best men.

#### THE ENGINE DEPARTMENT.

In this department as in the deck department the advance from wiper or coal passer to chief engineer must be step over step, based upon fitness, experience, practical and theoretical knowledge ascertained through examinations and periods of service in each rating. This work is different from the work on deck, but it is not different in the necessity for acquisition of the sea habit, the sea mind, and sea legs. In all but important and serious repairs the personnel must be able to keep the vessel from the repair shop. The lack of skill in the men and officers increases coal and oil consumption, decreases the speed, and causes the vessel to go to the repair shop when in port.

The general manager's attention will be peremptorily called to this at such times as he compares the expenses of the last report and the previous ones.

The personnel in the steward's department must be developed in the same gradual manner as the other two departments. Here the lack of skill will make itself seen and heard after every trip through the progressive loss of passengers, the waste of food, quarrels on the vessel, and a constant and expensive turnover in the crew.

There can be no doubt that, everything else being equal, the victory in competition will go to the highest skilled crew if employed when and where possible. In this, as in all other competitive business, the highest skilled man is the most dangerous competitor; but aside from the comparatively few ports where men can be obtained from shore to do the repair needed there are the much greater numbers of seaports where no such conveniences are at hand. This will include about 75 per cent of the world's seaports. To be able to earn the most money a vessel must be able to go to any and all places where she can enter with the depth of water to float her. With any accident in or near such places the vessel that has an inefficient or too small a crew is at a great disadvantage and the extra cost will easily eat up her other earnings.

The vessel with the highest skilled crew has at all times the advantage. To develop such personnel is therefore of the highest importance. But such a personnel can only be developed where the men are employed to do all work possible in port. This develops skill and the steadiness of employment keeps it with and in the business.

The foregoing somewhat amplifies the definition of the ratings. The practical application of them constitutes the school through which the seamen must go. Seamen were never developed in any other way, and the very nature of the calling makes it impossible to develop seamanship in any other way. Nothing in this subsidy bill will aid in the development of the personnel.

#### COMPARISON.

The United States has more ships than there are any prospects of using until there is not only a reestablishment of normalcy but a positive boom in industry and transportation. Germany at the close of the war retained her seamen but lost practically all her vessels. Having ship managers who know trade geography and management of vessels from shore, licensed officers and unlicensed seamen who know how to handle ships at sea and in harbor, how to make the quickest passages and how to keep the vessels out of the repair yards and repair shops, Germany is coming back with the speed of a race horse. America, lacking skilled managers, skilled officers and seamen, and doing nothing to develop either, but, on the contrary, in the last two years doing everything reasonably possible to destroy the gradually developing personnel, is "progressively" going behind in the race.

#### THE SEAMEN'S ACT.

The La Follette Seamen's Act was intended to serve the development of an American personnel. When it had any chance to function it did so. Not only did it bring Americans to sea and get back to the sea a good many men who had left it—trained seamen needed for the teaching of the others—but it abolished unfair competition by equalizing wages between foreign and American vessels. The utterly unjustifiable mutilations of section 14, the utter failure to enforce section 13 and section 2, have succeeded in bringing those sections of the law into contempt and in taking from the seamen the hope that those sections of the act had raised. In fact, the policy of the last two years has driven from the sea the budding American citizen seamen, as well as the skilled seamen who have declared their intention to become citizens of the United States.

#### THE RESPONSIBILITY.

The responsibility for this must be placed directly at the doors of the shipowners' association and the United States Shipping Board. The shipowners of America have, with three exceptions (the McGuire Act, the White Act, and the La Follette Act), had the willing ear of Congress to adopt such legislation as they advised. Their advice must have been bad, because it found us, when the hour of trial came, with practically no vessels in the foreign trade and practically no real American seamen. Aside from this, the shipowners did their utmost to nullify the McGuire Act, the White Act, and the La Follette Act. The Shipping Board has in the last two years, in the main, followed the shipowners' advice with disastrous results.

The shipowners now are asking Congress to give to them, through the Shipping Board, powers and privileges such as patriotic men would never ask and bad men should never receive. There is no justification for this bill, except upon the policy of taking care of the bankers and letting them take care of the people, take care of the employers, and take care of the workers, evidently with the idea that the benefits conferred upon the banker and shipowner will eventually filter down to the worker. That this is a vain hope so far as the shipowner is concerned is conclusively proven in the coastwise trade, where the American shipowner has an exclusive privilege and where he goes to all lengths in disregarding law for the purpose of employing anybody from anywhere, regardless of skill,



nationality, knowledge of English, and even physical aptitude. The only question considered by the shipowner is wages. From his point of view he can safely do this, because he is covered by limitation of liability, by insurance, so-called legitimate, but in fact a pure gamble, and by protection and indemnity insurance. Through both of these systems of insurance he transfers all his risks, small as well as great, from himself to the general community by adding this cost, which he makes permanent, to the freight rates.

#### NATIONAL DEFENSE.

It is claimed for this bill that one of its main purposes is national defense, yet it excludes from the citizen clause about two-thirds of the unlicensed crew of passenger vessels, and thus permits the employment of Chinese, other orientals, or the nationals of other countries with whom we may find ourselves at war. Then it excludes the 50,000 men, practically all in the military age, employed in the coastwise or domestic trade. It is difficult indeed to understand why the men employed in the coastwise trade are not included in the citizen clause, all of which could be done with a proviso, if the purpose of the bill is national defense.

For the foregoing reasons the insincerity of the argument that this subsidy bill has regard to the general defense or welfare is perfectly self-evident. Every detail of the bill sheds light on the fact that property rights and not human rights, profit and not patriotism, special privilege and not the general welfare, constitute the objectives of this measure. The 50,000 seamen, more or less, who are opposed to this legislation, regarding it as a pretense and a fraud, count for nothing. But the 500 shipowners, more or less, whose pockets will be at one end of the law and the Treasury Department at the other, count for everything.

American seamen are not deceived. They understand fully how this measure will work out. They know that this bill is as false in theory as it is delusive in purpose, and that the only assured result of its enactment is more fruit of the kind the Shipping Board has hitherto served to the American people in superabundance.

In short, Mr. Chairman, the purpose of my amendment is to point out to this committee that an American merchant marine depends primarily on an American personnel. Sea power will never be successfully produced in a subsidy hothouse; it must develop in actual service on the sea; and therefore legislation that fails to stress the first consideration of success, American seamanship, can not hope to produce a merchant marine with power to survive any length of time after the subsidy ceases.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. WHITE of Maine. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WHITE of Maine: Page 28, line 25, after the word "than" strike out the figures "1,000" and insert in lieu thereof the figures "500."

Mr. EDMONDS. Mr. Chairman, we will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The amendment was agreed to.

Mr. BANKHEAD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Page 31, after the amendment offered by Mr. EDMONDS just adopted, insert: "Provided, That no compensation shall be paid or allowed in respect to any vessels upon which any liquors or beverages containing more than one-half of 1 per cent of alcohol, by volume, are stored, transported, sold, or offered for sale either within or without the territorial waters of the United States."

Mr. EDMONDS. Mr. Chairman, I desire to offer a substitute for that amendment.

The CHAIRMAN. Does the gentleman from Alabama claim the floor?

Mr. BANKHEAD. Yes.

The CHAIRMAN. The gentleman is recognized for four and one-half minutes.

Mr. BANKHEAD. Mr. Chairman, I want to submit a unanimous-consent request by agreement with the majority leader. Am I recognized for the four minutes?

The CHAIRMAN. Yes.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that 10 minutes be allowed for debate upon this amendment.

Mr. LINTHICUM. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Alabama is recognized for four additional minutes remaining.

Mr. BANKHEAD. Mr. Chairman, it seems to me that this is an amendment which needs no explanation and that the reading of the amendment itself is as good an argument as could be made in favor of its adoption. The Constitution of the United States and the laws of Congress are the supreme law of the land. The purpose of this amendment is to provide that under the eighteenth amendment and the Volstead Act, which was adopted to put that amendment into effect, the provisions of the eighteenth amendment shall apply on the high seas as well as in the domestic territory and our territorial waters. The purpose of offering this amendment is to leave absolutely no doubt as to the will of Congress upon this proposition as to whether or not, despite the fact that we have the eighteenth amendment prohibiting the sale and the possession of certain liquors on land and within the territorial waters, we shall be consistent and proclaim that as a law of the land, as it ought to be, on any ship flying the flag of the United States. It is not necessary for me to undertake within these four minutes to make any argument on this proposition. I think everyone here correctly understands the spirit and purpose of this amendment. If this Congress is in favor of the enforcement of the prohibition laws which it has passed and put on the statute books and in favor of carrying out the Constitution of the United States wherever the flag flies—and the Constitution certainly always follows the flag—then I do not see how any man who professes to be a prohibitionist on this floor can vote against this amendment.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. HUDDLESTON. Is the gentleman's amendment intended to prevent the carrying of liquors for medicinal and sacramental purposes?

Mr. BANKHEAD. It is for beverage purposes.

Mr. HUDDLESTON. Is it so limited?

Mr. BANKHEAD. It follows the language of the Volstead law on the proposition of prohibited liquor.

Mr. FESS. Is it not true that the Department of Justice and the district court of New York have already decided that liquors can not be transported under the American flag?

Mr. BANKHEAD. Does the gentleman know whether they have or not?

Mr. FESS. My understanding is that they have.

Mr. BANKHEAD. Then why does the gentleman ask me?

Mr. FESS. I want to know whether the gentleman was informed of that matter.

Mr. BANKHEAD. Well, I read the papers occasionally, I will say to the gentleman from Ohio.

Mr. FESS. Then, what is the necessity for the gentleman's amendment?

Mr. BANKHEAD. If this is the law as interpreted by the court, what objection can the gentleman have to writing it in this law?

Mr. FESS. What is the use of the amendment?

Mr. EDMONDS. I offer this amendment by way of a substitute, and ask five minutes' time to speak on my substitute.

Mr. LINTHICUM. Mr. Chairman, I object.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS as a substitute: "Compensation shall not be paid in respect to any vessel for mileage covered upon a voyage if at any time during such voyage liquor for beverage purposes (the sale or transportation of which on land is prohibited by the national prohibition act, or any act in amendment thereof, supplemental thereto, or in substitution thereof) has been transported on the vessel with the knowledge or consent of the owner, charterer, agent, or master of the vessel, or sold on the vessel by or for the account of, or with the knowledge or consent of, the owner, charterer, agent, or master of the vessel."

The CHAIRMAN. The question is on agreeing to the substitute to the amendment offered by the gentleman from Alabama.

Mr. CRAMTON. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. CRAMTON. To ask unanimous consent to extend my remarks in the Record on this amendment.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CRAMTON. Mr. Chairman, under the leave granted me I desire to insert the following telegram from legislative committees of the Anti-Saloon League and the Woman's Christian Temperance Union emphasizing the desirability of omitting any antiliqor legislation from the pending bill. Being in agreement with the views expressed therein, I believe that



neither the Bankhead nor the Edmonds amendment, now pending, should be adopted. The telegram is as follows:

TORONTO, ONTARIO, November 28, 1922.

Hon. L. C. CRAMTON,

Member of Congress, Washington, D. C.:

Law now prohibits effectively liquor on all American ships. Why endanger existing legislation by a probably less effective amendment? Court would be influenced by last act of Congress in construing law. Believe no good reason for injecting prohibition in subsidy bill.

JAMES CANNON, Jr.

A. J. BARTON,

ERNEST H. CHERRINGTON,

WM. H. ANDERSON,

W. B. WHEELER,

Legislative Committee Anti-Saloon League.

ANNA A. GORDON,

LENA LOWE YOST,

Woman's Christian Temperance Union.

The CHAIRMAN. The question is on agreeing to the substitute to the amendment offered by the gentleman from Alabama.

The question was taken, and the Chair announced the ayes seemed to have it.

Mr. BANKHEAD. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 75, noes 27.

So the substitute to the amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment as amended.

The question was taken, and the Chair announced the ayes seemed to have it.

Mr. PARKER of New Jersey. I demand a division, sir.

The committee again divided; and there were—ayes 56, noes 31.

So the amendment to the amendment was agreed to.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 29, line 5, after the word "vessel," insert "and regularly operated as a common carrier."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 30, line 20, strike out "(2) Is built in the United States, its Territories or possessions, or the Canal Zone, after the enactment of this act; or".

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

#### FOREIGN TRADE.

SEC. 407. (a) Except as provided in subdivision (b), (d), or (e), a vessel shall, for the purposes of this title, be held to be engaged in foreign trade while operated on any voyage as a merchant vessel.

(b) A vessel shall not, for the purposes of this title, be held to be engaged in foreign trade while carrying any passengers or cargo—

(1) Which are taken on board at a port in the United States and discharged at a port in the United States;

(2) Which are taken on board at a port in the United States and discharged at a port in Alaska or Porto Rico;

(3) Which are taken on board at a port in Alaska or Porto Rico and discharged at a port in the United States;

(4) Which are taken on board at a port in the United States and discharged at a port in Hawaii, if the revenue accruing to the vessel by reason of the carriage of such passengers and cargo amounts to more than one-fourth the total revenue accruing to the vessel by reason of the carriage from point of origin to point of destination of passengers and cargo on board at the time of departure from the last port of call in the United States;

(5) Which are taken on board at a port in Hawaii and discharged at a port in the United States, if the revenue accruing to the vessel by reason of the carriage of such passengers and cargo amounts to more than one-fourth the total revenue accruing to the vessels by reason of the carriage from point of origin to point of destination of the passengers and cargo on board at the time of departure from the last port of call in Hawaii; or

(6) Which are taken on board at a port in Alaska, Hawaii, Porto Rico, the Virgin Islands, the Philippine Islands, or the Canal Zone, and discharged at a port in the same Territory, possession, or zone.

(c) Subdivision (b) shall not apply (1) to a voyage for the carriage of passengers on a special or sight-seeing tour, or for scientific purposes, if the vessel does not, in the judgment of the board, carry passengers or cargo in competition with vessels in the coastwise trade; nor (2) to merchant vessels while operating as auxiliaries to the military or naval forces of the United States.

(d) A vessel shall not, for the purposes of this title, be held to be engaged in foreign trade while moving without passengers or cargo—

(1) Between ports in the United States, unless the next carriage of passengers or cargo is to or from a port outside the United States, Alaska, Hawaii, and Porto Rico;

(2) Between the United States and Alaska, Hawaii, or Porto Rico, unless the next carriage of passengers or cargo is to or from a port outside the United States and outside such Territory or possession;

(3) Between a port in Alaska, Hawaii, or Porto Rico and a port in the same Territory or possession, unless the next carriage of passengers or cargo is to or from a port outside such Territory or possession and outside the United States; or

(4) Between a port in the Virgin Islands, the Philippine Islands, or the Canal Zone, and a port in the same possession or zone, unless the next carriage of passengers or cargo is to or from a port outside such possession or zone.

(e) A vessel shall not, for the purposes of this title, be held to be engaged in foreign trade while operating on the Great Lakes or adjacent or connecting waterways, unless the voyage begins or ends east of Quebec, Canada.

Mr. JONES of Texas. Mr. Chairman, on Tuesday, November 21, there appeared in the Washington Herald an article with the headline—

JULIUS KAHN BITTER AGAINST THE BLOC SYSTEM IN CONGRESS.

I have read the interview with curious interest. The statement starts off as follows:

If Congress would pay less attention to blocs and groups, it would serve the country better.

He censured the Middle West farmer for his opposition to President Harding's ship-subsidy proposal. He said:

They do not want the ship subsidy, because they do not see that it will be of greater benefit to them than to any other class of American citizens. The farmer is certainly justified in presenting his own particular wants before the country, but he has no right to demand, as he is demanding, that his wants be attended to and that everything else be voted down.

Of all the strange paradoxes, this statement, to use the vernacular of the street, "takes the cake." In one sentence the distinguished gentleman from California decries blocs and groups, and in the next breath, with dramatic flourish, he joins the ship-subsidy group and declares in effect that anyone who opposes it is opposed to our national welfare. This is in line with the statements of everyone else who has opposed the activities of the farm bloc. It is strange that they had no thought of this position before. For 25 years Mr. KAHN has been a Member of Congress. During that time there have been various blocs in the House, and some of them even used a "block and tackle."

For many years there has been a financial bloc which has swept down on the Congress in the interest of the financiers and endeavored to secure anything and everything they desired. There has been a Wall Street bloc. There has been a railroad bloc. There has been a tariff bloc. But on all these blocs these gentlemen have been strangely silent. However, since a group of men in the House and Senate have undertaken to do something substantial and real for the producers of this Nation the anvil chorus has been in continuous operation.

So long as they could get by with a verbal tribute to the farmer they were happy in the presence of all kinds of blocs and groups. But they want it to stop there.

I thoroughly agree that group legislation in most instances is unsatisfactory, but when all kinds of groups and bloc systems are being used whose interests conflict with those of agriculture and stock raising, then in sheer self-defense those who represent farming interests must also stand together, not only to secure even their own rights but also to protect the Treasury against organized raids.

If the subsidy business is started, where will it end? I thoroughly agree that it would be a desirable thing to have ships all over the oceans flying American flags. But can you subsidize one interest without subsidizing all? Is the transportation on land not just as essential as transportation on the sea, and is not production just as essential as transportation? In fact, all of them are essential, and if you start to subsidizing one essential interest then in logic and good sense you must subsidize all; and if you subsidize all interests in the Nation, you wind up just where you started. Is it any more essential that the flag should fly on the seas than on the land? Is it any more desirable that the flag should fly on the ships that plow the ocean than that it should fly on the continental farms of the United States?

If we were a new Nation, without credit, without facilities, and with vast potential resources all of which needed development, then conditions would be in some respects different, but the United States has more credit than any other nation. It has more money than any other nation. Its resources are as highly developed as those of any other country, and if any industry is unable to survive in open competition, then it seems futile to take money from all to distribute among the few.

Mr. KAHN says we can get nowhere as a Nation, we can get nowhere as a Congress unless we come to the realization that there are other people whose endeavors are directed along lines other than farming who must have consideration from the Nation's lawmaking bodies. Of course this is true, but I would like to call his attention to the fact that there are other people whose endeavors are directed along lines other than operating ships who must have consideration from the Nation's law-



making bodies. No man and no set of men should be given a subsidy in the leading Nation of the world. Everything legitimate should be done to foster the interests of the whole Nation. Every opportunity should be given to every man to engage in any line of productive work, but it should be simply an opportunity and not a subsidy. Legislation should be national and should be in the interest of the whole people and not for the benefit of a favored few.

It is said that there is a system among a certain class of people who, when they have filched something that belongs to another, join the pursuing crowd and begin to yell "Stop thief." It seems that the gentleman from California has been invoking a similar philosophy. Desiring to secure something from the Treasury of the United States in behalf of the few shipowners, he attempts to distract attention from the matter in hand by railing at the farm bloc.

Now, the farm bloc has not attempted to get the United States Government to give the farmers anything. It has simply endeavored to get the farmers placed in the same position as other activities of this country in the way of markets and of credits, and in all the legislation that has been passed they have been expected to give ample security for any credits that were even indirectly advanced to them. But no such thing is expected of the shipping interests. They not only do not expect to give security for the moneys advanced, they do not even expect to give a promise to pay. They simply want the Congress of the United States to assume the rôle of a "walking Santa Claus" and hand them the money which they desire. This is an un-American policy which is contrary to the genius of a representative form of government.

Mr. MOORE of Virginia. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Virginia rise?

Mr. MOORE of Virginia. To move to strike out the last two words.

Mr. Chairman, it is very apparent if the compensation provisions are passed as they stand that this will be the situation, notwithstanding the amendment that was adopted a while ago, offered by the gentleman from Illinois [Mr. MADDEN]: The Shipping Board will have authority at any time—let us say perhaps within the next 6 months—to cover the whole field of compensation by 10-year contracts, a subsequent Congress may see fit to repeal or modify the act, and although that may be done it is manifestly clear that any party with whom a contract may have been made, while his contract may be terminated, will have the right to press a claim for damages against the United States.

That being true, that being incontestably true, even though the Sixty-eighth Congress or some subsequent Congress should feel that the act ought to be repealed or materially modified with respect to the matter of compensation, the Government would have no protection at all against claims, and they might be very large and extensive claims for damages.

Now, nobody can dispute that. The prohibition against the impairment of the obligation of a contract applies to States alone. It does not apply to the United States. A subsequent Congress may enact legislation designed to put an end to compensation contracts, but even though that is done, parties who are affected will retain their right to press their claims for damages.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Virginia. Yes.

Mr. DEMPSEY. Will not the claim for damages be limited by the amount of loss? Will not the shipowner show what the loss of profit is, instead of simply showing what the amount of the subsidy is?

Mr. MOORE of Virginia. Under statutes now in force a party would be entitled to go to the Court of Claims and ask for the amount of the unpaid compensation for the period of the contract. That might cover his loss, but he might be allowed to superadd to that any other direct damages that he may have sustained.

My friend, the gentleman from New York [Mr. DEMPSEY], who is a most excellent lawyer, knows very well that whatever the measure of damages, the party would have a claim that he could assert, and assert successfully.

Mr. DEMPSEY. That is true.

Mr. MOORE of Virginia. And if my friend were counsel he would press not only for the amounts specified in the contract but he would press for something more.

Now, that being the fact, as it is admitted to be true, we ought to guard against the possibility of that happening by such an amendment as I have drawn and will offer in a little while, reserving to Congress—to the Sixty-eighth Congress or any subsequent Congress—the right to repeal and modify the contract in such manner as will not only terminate the contract but exclude damage claims. Unless that is done you

will chloroform the next Congress and chloroform at least four subsequent Congresses, because the contract period is 10 years. [Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HICKS. Mr. Chairman, the debate on this bill is nearly over. The discussion has been illuminating and interesting, but devoid on the part of the opposition of any suggestion which will remedy the present unsatisfactory condition of our shipping. That something must be done is admitted by all who are cognizant of the facts. In former days, when we possessed no foreign shipping of any moment, the establishment of a merchant marine was open to discussion, and it could be fairly questioned whether it was worth while to attempt its construction at an expense to the public purse. Then there was room for a difference of opinion, but now, with a merchant marine in existence, we are past any theoretical discussion and are confronted by a condition which requires action, a condition which can not be evaded or dismissed, a condition which carries with it responsibilities which must be met.

I desire to call attention to an item appearing in the Washington Star of last Friday in reference to a cable dispatch which had been received from England, where the opposition here to this bill had evidently been interpreted as spelling its rejection. This dispatch read:

LONDON.—Expected defeat of ship subsidy bill in United States having marked effect on shipping shares here. Peninsular & Oriental Steamship Co. rose 5 points yesterday, Royal Mail 3½ points, and Cunard 1½ points.

The Star further comments as follows:

This is not a new viewpoint with foreign interests. For many years before the war the Germans maintained a lobby in Washington to prevent ship subsidy legislation. The importance of the British attitude at present is that it demonstrates how fearful their shipping interests are of an American merchant marine, privately managed, as contrasted with Government operation, which they do not fear at all, because they regard it as inefficient and ineffective.

That shipowners abroad desire the defeat of this bill and view with serious alarm the adoption of the President's recommendations can not be doubted. They speak from their standpoint for they realize their shipping supremacy is in jeopardy. But I want to stress the American side and I ask, Is American pride and American enterprise to be made subservient to commercial rivals who seek to control the shipping of the world?

I impugn no man's motives; I challenge no man's right to vote as he deems proper. Without personal animosity or racial prejudice but in justice to an American industry, it is fair to inquire why it is that men prefer to stand with the English and Japanese shipowners in preference to the American shipowners. If it gives them any solace to strike at an American institution they are welcome to that solace. If it gives them pleasure to see American shipping wither and decay while the shipping of England and Japan thrives and prospers at our expense, the pleasure is theirs. If they favor foreigners who would be the beneficiaries of the course they desire Congress to pursue, instead of favoring Americans in their efforts to maintain our flag upon the seas, the choice is theirs. If they would rather obstruct this great national purpose by placing obstacles in its path, instead of promoting its development by encouraging the investment of capital and the employment of labor in the building and operation of our own ships, the decision is theirs, and upon their heads must come the censure and the condemnation should this measure fail of adoption.

But I have no fear that it will fail. Since the beginning of the discussion of this bill its position has steadily gained ground, for its proponents have presented sound, logical, practical, unanswerable arguments in its favor. It is a forward-looking, constructive piece of legislation founded on business principles. It deals with existing conditions in an honest effort to economize Government funds and seeks to eliminate the waste attendant on Government operation. It will supplant the inefficient and careless methods too often the result of public management, by the incentive and economic organization promoted by private control.

The ships are in existence; they are being operated; the money for their construction has been spent, and we are confronted by the expenditure of additional vast sums unless some change is made in the present system. We are faced with the practical fact of how best to conserve that which we already have. What have the opponents of this bill brought forward in an effort to solve the problem? Nothing but hackneyed political phrases and abstract theories on the principles of Government. Their objections have revealed no constructive measure; they have not suggested a single method for checking the present waste of public funds. If they favor economy why do they not offer some plan to protect the Treasury? If they are unable to do this, then in all fairness they should support this



bill which will undoubtedly bring about a reduction of expenditures. If they favor the transfer of ships to private hands—and I doubt if many feel otherwise—they should advance a plan of action. Outside of a comparative few, I think it is conceded that the Government should not be burdened by the permanent ownership and operation of ships for peace purposes. I believe that private ownership and operation is desirable for two reasons—first, because it is impossible for private citizens owning ships to survive the rivalry of Government-operated ships; and second, because it would afford financial relief to the Government and promote efficiency of service and enlargement of operation.

We must not forget that there is a vast number of privately owned ships now endeavoring to compete against Government-owned ships, and that the losses of these shipping companies will doom them to bankruptcy unless the present conditions are altered. Should this result take place the Government would find it even more difficult than at present to dispose of its vessels, and in the meantime American commerce would disappear and foreign shipowners would control the ocean rates and be masters of the sea-borne commerce. No suggestion has been offered by the opponents of this bill to meet such a situation, neither have they suggested any plan by which the United States would be provided with auxiliary ships for the Navy in case of the emergency of war. Other nations have their merchant marine fleets easily transformable into transports and supply vessels when necessary, a safeguard for their national defense.

For us to contemplate the possibility of repeating at some future date the experiment of constructing a war emergency fleet costing billions of dollars is unthinkable. Have the opponents of this bill any plan which would safeguard this possible contingency? Have the opponents of this bill any plan for encouraging the expansion of American commerce? If they have they should bring it forward, for I doubt if they honestly feel that American ships should abandon the seas. Let us look this question squarely in the face; let us not be frightened by the bugaboo of the word "subsidy." It is but another form of a protective policy which will result in this case in stopping the needless flow of money from the Treasury for the upkeep and operation of ships; it will accomplish the transfer of ships to private enterprise and make certain that ships shall be available for the Government whenever needed; it will encourage the commercial expansion of the United States and keep in America its proper proportion of the huge sums paid out for ocean freights and insurance on American products.

Mr. DAVIS of Tennessee. Mr. Chairman, I have an amendment which I wish to offer.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. DAVIS of Tennessee offers the following amendment: Page 33, line 10, strike out subsection (d), paragraphs (1), (2), (3), and (4).

Mr. DAVIS of Tennessee. Mr. Chairman, I wish to supplement what has been stated by my colleague from Virginia [Mr. MOORE] by stating that the very purpose of this bill is to chloroform future Congresses, is to prevent future Congresses from exercising their prerogatives upon this question.

There appears in the hearings a letter from a shipping concern to the Shipping Board in which they recommended that the bill be so framed as to avoid appropriations and provide for permanence, and they have done both. I offered an amendment limiting these contracts to a period of 10 years from the date of the passage of the bill; in the bill it is 10 years from the date of the contract, and they can just keep making contracts and renewing them indefinitely. That amendment was voted down. Then I also offered another amendment to a previous section in which there was reserved the right to terminate those contracts upon 12 months' notice by an act of Congress. That was a section upon which a motion was made and jammed through to stop debate on the entire section after there had been only one five-minute speech, and that on the other side. It was one of the most important sections in this entire bill, and there were several important matters that some of us on this side desired to discuss. We were assured that we would be given a full and fair opportunity to discuss amendments. There have been no efforts whatever made on this side to kill time, and we have not offered a single amendment for that purpose, but every one of the amendments offered were offered in absolute good faith, and practically all of them were amendments that had been offered in committee by committee members.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. MONDELL. Gentlemen on that side were demanding a vote by tellers when the vote was 3 or 4 to 1.

Mr. DAVIS of Tennessee. I want to say to the gentleman from Wyoming that there was no instance in which that was literally true. There was one case in which there was a large majority, but there were several cases in which there were close margins, and some amendments were adopted.

Mr. MONDELL. Well, then, if that is so, why did the gentleman do it? What is the gentleman complaining about?

Mr. DAVIS of Tennessee. I am saying there are many features of the bill which we desire to discuss. I am not speaking of this particular amendment, but of things which have transpired heretofore. I hope they will not transpire in the future. We are making pretty good progress on this bill, I think.

Now, as I said, getting back to the argument that was made by the gentleman from Virginia [Mr. MOORE] and supplemented by myself, the very purpose of that contract provision and of the resistance against anything which would reserve to future Congresses the right to act upon the proposition and express their will and the will of the people is the desire and the intention on the part of the proponents of this bill to make it permanent legislation, to tie the hands, to usurp the authority of future Congresses. I do not think we have the legal right to do it; I am sure we have not the moral right to do it. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. EDMONDS. Mr. Chairman, may I ask that the amendment offered by the gentleman from Tennessee be again read?

The CHAIRMAN. Without objection, the amendment will again be read.

Mr. DAVIS of Tennessee. It was a pro forma amendment.

The CHAIRMAN. Then, without objection, the amendment will be withdrawn.

There was no objection.

Mr. EDMONDS. Has the gentleman any other amendment to offer?

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 408. (a) Compensation shall be paid in respect to any vessel only for mileage covered while the vessel is engaged in foreign trade upon a voyage of which one of the ports is a port of the United States, its Territories or possessions, or the Canal Zone; except that any vessel engaged in foreign trade shall be paid compensation for mileage covered in such trade during any period of time (1) if the vessel has entered or cleared from a port of the United States at any time during the 12 months prior to such period of time and after the making of the contract; or (2) if the vessel during the six months ending with such period of time has derived at least one-half of the total revenue, accruing to it by reason of the carriage of passengers and cargo, from passengers and cargo received from or delivered to vessels which are registered, or enrolled and licensed, under the laws of the United States and whose voyage began or terminated at a port in the United States, its Territories or possessions, or the Canal Zone.

(b) Compensation shall not be paid in respect to any vessel for mileage covered upon a voyage in foreign trade during which the vessel enters or clears from a port in the United States, its Territories or possessions, or the Canal Zone, if the distance between the terminal ports of the voyage is less than 150 nautical miles.

Mr. HARDY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas: Page 34, line 13, after the word "Zone," strike out the remainder of line 13 and the balance of subsection (a) through line 2 on page 35.

Mr. HARDY of Texas. Mr. Chairman and gentlemen, the purpose of this amendment is to exclude from the receipt of subsidy vessels engaged in trade between foreign nations. If we had in view the purpose to help our commerce, we might somewhat justify the payment of a mileage subsidy to vessels carrying our commerce to foreign ports, or bringing foreign commerce to our ports; but this provision authorizes the payment of a mileage subsidy to vessels owned by Americans when they engage in transportation, we will say, from Petrograd, Russia, to Christiania, Norway, or from one foreign port in one country to another foreign port in another country, provided that during 12 months' time the vessel comes home once. I think we are doing pretty well if we pay a bonus gathered from the taxpayers of the United States for carrying the commodities of the United States abroad and bringing back commodities from abroad to the United States. But, if we propose now to put great fleets upon the ocean to enter into competition between foreign ports with ships of those foreign ports or nations, it seems to me we are very anxious to build up a special interest and put money in shipowners' pockets without regard to the interests of our own people. Therefore, I ask the earnest consideration of every Member of Congress who



wants to vote solely for the interest of our people and ask favorable consideration of this amendment.

Mr. EDMONDS. Mr. Chairman, again the gentleman are consistent. First they talk about the enormous monopolies that are going to get benefits under this bill. Now, they wish to exclude the poor little cargo carrier that might be owned by one man, traveling around the world looking for cargo, picking it up and carrying the American flag into foreign ports. They do not want him to have compensation. Why, gentlemen, the business of a cargo carrier is that of a common carrier. He may go to South Africa and pick up a cargo for India and then go to India and get a cargo for China, and then get a Chinese cargo and bring it to the United States. You are going to put him out of business. You are not going to pay him a subsidy.

Mr. HARDY of Texas. Does not this provision call for the payment of this subsidy to small ships or large ships, whether owned by little men or big men?

Mr. EDMONDS. Oh, yes; but you have objected to paying the big liners, and the big liners will run in regular lines from port to port.

Mr. HARDY of Texas. And then use these little boats as feeders, and we will give a subsidy on the little boats.

Mr. EDMONDS. Another thing, gentlemen. What does this do? We have in China and in the eastern seas a lot of vessels that pick up cargo and bring it and deliver it to American ships. We say that if 50 per cent of their tonnage is delivered to American ships we will pay them. Why? Because they are cargo bringers. They are the little wagons bringing the loads to your ships and giving you prosperous and good business. I think it is a mistake to cut them off. I think it is a mistake to change this paragraph at all. It was very carefully thought out by the committee. We do not want in any way to injure these vessels. There are a number of them in China, vessels that do not see a port of the United States for years. Yet they bring in cargo for our larger vessels to carry to the States.

Now, on the question of the other vessels, those that we require to make an American port every 12 months, they go around the world. They may go anywhere for 12 months, but we require them to come in once every 12 months.

Mr. BUTLER. What is the reason given for striking this language from this bill?

Mr. EDMONDS. I do not know. The gentleman who offered the amendment just made a speech; but I can not find any reason for it at all.

Mr. FESS. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. FESS. Is it not the practice of some vessels running from South America to North America to go to Liverpool first and then come on home?

Mr. EDMONDS. One of the most profitable pieces of ocean business that has been known in modern times is what is known as the triangle trip from England, carrying coal to South America, then carrying South American products to North America, and carrying wheat from North America to England. That is a most prosperous business. If this amendment goes through, if one of our ships does any business like that, it will be prohibited from getting the benefits of this compensation.

Mr. CONNALLY of Texas. I understand the gentleman's bill requires them to come back at least once a year to get the subsidy. Is that right?

Mr. EDMONDS. I do not want to answer any foolish questions. There is no doubt that they will get the subsidy, whether they come back once a year or not, if they comply with the law.

Mr. HARDY of Texas. They have got to come back here to get it.

Mr. SEARS. Mr. Chairman, I move to strike out the last word. My good friend and colleague from Pennsylvania [Mr. EDMONDS] seems to take a great deal of delight in congratulating us on the Democratic side upon our consistency. Let me call his attention to the fact that the President last Tuesday week appeared before this body and in his statement I find the following:

The committee has given the question a full and painstaking inquiry and study, and I hope that its favorable report speedily will be given the force of law.

Therefore the President indorsed the bill as a whole and hoped that Congress would enact it into law speedily. Yet we find my good friend from Pennsylvania [Mr. EDMONDS], the chairman of the committee, offering amendments to the bill, and many, many amendments have been made to the bill, in fact, so many that I doubt if the President would recognize

the bill if he should again have the pleasure of reading it. This afternoon you have undertaken, as usual, to rush this legislation. We have found during the past two years the result of the mistakes made in rushing any legislation. We only rush legislation when we want to fool or deceive the people. Let me briefly call your attention to the fact that the President also said substantially:

Last February I called your attention to the shipping bill and expressed the hope that you would pass some bill giving some relief.

Last August the President permitted us to go home and make a campaign in order that we might try to retain our meal tickets. Last September, although according to the President's message we were losing \$4,000,000 per month on our ships, the President saw fit and deemed it proper to permit those Members of Congress who had survived the primaries to go home and again try to retain their meal tickets. You know the result!

On the 7th of November the people of America spoke, and many who had disregarded the sentiments of the people fell by the wayside, and it was not until after they had spoken that the President was fully awake to the situation which confronted him. He then called Congress in special session, and we now find the leaders on the Republican side moving to shut off all debate on nearly all of these important amendments, and by your votes you have made it possible for them to do so.

What is the result? You are forced to vote for or against an important amendment without any information at all. Certainly the people will not approve this method of legislation, and I fear many will find it out but too late.

Mr. BRIGGS. Will the gentleman yield?

Mr. SEARS. Certainly.

Mr. BRIGGS. What is the object of shutting off debate?

Mr. SEARS. The debate is being shut off because those in charge of the bill fear the light and do not want those in the cloakroom to become too well acquainted with what the bill contains. [Laughter.]

Mr. JOHNSON of Washington. The gentleman from Florida is not shut off from his debate, is he?

Mr. SEARS. No. I have listened to my good friend from Washington so much that when I take a few minutes of time I feel that I am trespassing on the wisdom of the gentleman from that wonderful State, which has shown so recently some inclination to go Democratic. [Laughter.] I do not care to take up more time of the House, but I say again, as I said nearly a year ago, if you continue this method of gag-rule legislation, if you continue to ignore the interests of the people, you will find when it is too late that the people are more alive now to important questions than ever before.

Mr. GOODYKOONTZ. Mr. Chairman, in the separate report filed by the minority members, signed by the gentleman from Tennessee [Mr. DAVIS], the gentleman from Texas [Mr. HARDY], the gentleman from Alabama [Mr. BANKHEAD], the gentleman from Virginia [Mr. BLAND], the gentleman from Texas [Mr. BRIGGS], I find on page 28 thereof the following illuminating but startling statement:

In conclusion we call attention to the following facts:  
"1. Our Government-owned merchant tonnage cost the people about \$3,000,000,000. It is estimated that we will probably sell the ships for \$200,000,000. Consequently, the people will stand a loss by deflation of \$2,800,000,000."

The quotation I have just read is the mature finding of the Democratic members of the Committee on Merchant Marine that have had the bill under consideration. These gentlemen tell us that the ships can be sold—"probably sell" is the term they use—at only one-fifteenth of their cost price. In other words, that of every \$15 paid in by the people \$14 thereof has been wasted, squandered, and lost.

The inculpatory admission of the gentleman convicts the administration of Woodrow Wilson of one of the greatest political crimes of the ages. The finding of the minority constitutes an indictment against the officials of the Wilson administration that can not be avoided nor defended, for it is an admission by gentlemen of the very highest character and of the most influential standing in the Democratic Party.

War may be wasteful, but not even war can excuse or condone this wanton dissipation of the people's funds. Contemplate the situation! Three billions paid in and probably one-fifteenth of a billion to show for it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. GOODYKOONTZ. With the greatest of pleasure.

Mr. BANKHEAD. The gentleman read section 5 of the merchant marine act of 1922, which gives plenary power to the Shipping Board to sell, give away, or otherwise dispose of these worthless vessels that the gentleman speaks of.



Mr. GOODYKOONTZ. Yes; but this Shipping Board has been cautious. Only on yesterday you were seeking to strike out the clause in the bill which undertook to give to the board power to sell the ships at private sale. I presume there is no market for the ships. Therefore, under existing law no opportunity to sell the ships at either public or private sale.

For a good while we have been trying to comfort ourselves with the thought that at least one good had come out of the war, namely, we would have a "great merchant marine." This delusion I fondly cherished until recently. I had, at times, certain misgivings and fears, but finally, when after long and patient hearing the minority members in a report to Congress conceded that our ships could not be sold for more than two hundred millions—one-fifteenth of the cost of the fleet—then the scales fell from my eyes. I now doubt if the vessels can be sold for even two hundred millions.

No wonder that we have radicals in the country; no wonder that socialism is gaining a foothold; no wonder that anarchy is gleaming and the red flag fluttering. But the blame should be put where it belongs.

The wooden ships have been sold at a price less than one-half of 1 cent on the dollar of cost. The concrete ships are no better, and ultimately will have to be towed out to sea and sunk at a place where their ungainly and bulky bulks will not obstruct navigation. Many of the ships built at Hog Island and at other yards will have to be dismantled.

When at Newport News on the occasion of the launching of the *West Virginia*, a great ironclad man-of-war being built under the supervision and direction of West Point and Annapolis architects and engineers, I was in conversation with the executive head of the organization having that vessel under construction. Attention was directed to the fact that in Hampton Roads there were perhaps a hundred vessels tied up and idle, but guarded at a very large governmental expense. The greater number of these vessels cost very large sums of money—from \$500,000 upward. The gentleman with whom I was conversing said, "Yes; they cost a great deal of money, but I would not accept them as a gift and be under obligations to operate them." I wanted to know his reason, and he replied that the vessels were badly planned; that there were not sufficient spaces for cargo or passengers; that they were burdened with heavy machinery; and that the cost of fuel would be prohibitory.

It has been charged, and I believe the allegation to be true, that a certain foreign nation never intended that America should have a merchant marine. Her influence is still abroad in the land.

The President in his message said that the Shipping Board had reduced the annual deficit in operating the fleet to fifty millions. Should we continue at that rate, at the end of four years the estimated value of the fleet will have vanished. The plan of the President to turn the vessels over to private owners and compel them to fly our flag and operate between certain ports, as, for example, between San Francisco and Australia, will only cost twenty millions a year, and is a good one.

The greatest cost in operating American ships is due to the La Follette Seaman's Act. This act increases the number of seamen—almost doubles the number—required on Japanese vessels, limits the hours of labor, and in large effect increases the pay. Yet we find Mr. Gompers and the Democratic leaders opposing this bill. Why? Have the Democratic leaders offered any constructive suggestion or plan? None at all. Opponents of the bill seem to be willing for the American merchant marine to break down and fall—willing to let the whole proposition go aglimmering.

Is it possible that America is incompetent to engage in commerce and seafaring. Shall the proposed merchant marine be as a mere firefly or will-o'-the-wisp? Is it a mere ignis fatuus that we have been following?

Opposition to the bill by the men whose party spent the money for the ships and three times as much per annum for their operation was born in a fierce desire to make political capital for their selfish partisan advantage at the next election.

It has been openly charged, and I confidently believe the charge to be true, that the Democratic Members of the House entered into a secret caucus and decided to oppose this bill as a party action. Their object, if attained, would have the effect of finishing the work set upon foot by their illustrious leader and patron saint, Woodrow Wilson, the man who kept us out of war. Zealous in this faith countless mothers had on bended knees thanked God for Wilson.

Wilson's influence is still alive in the land. There are those who still believe in the League of Nations and that we should have stood guardian for Turkey and for Armenia, the latter being the poorhouse of the world. Then there are the fellows who want to cancel the debts Europe owes us. Judge Clark,

friend of Newton D. Baker and appointee of Wilson, has resigned his position in order that he may carry on with his propaganda for debt cancellation.

Had we joined the league and been subjected to its decisions the debts would have been canceled by a flourish of the pen.

Have the people forgotten what happened when Wilson was President? Hog Island Shipyard and nitro powder works were only two examples of a thousand wild orgies of waste and rotteness. Of course, Mr. Wilson did not have time to look after business. He was a dreamer and saw visions. The dreams he dreamed and the visions he saw were of the nature of the delusions of the opium eater. Like unto Dead Sea fruit—pleasant to the eye but ashes to the taste.

Barring the circumstance of suffering and death of the boys who went to war, no greater tragedy has befallen the Nation than the wreck of the merchant marine. While President Harding is trying to salvage a part of the wreck, he finds every political enemy in the land resisting his efforts. What matters it to them that the starry flag is driven from the seas, that even the advantages of the seaman's act shall be lost to American sailors, that goods made by American labor can not have a market for lack of friendly ships to transport them to foreign markets, that the products of the farm, if produced, shall be left to rot or sold at a sacrifice, or else not produced at all? In the eyes of the political enemies of President Harding such calamitous results are as nothing compared to the spoils they enjoyed during Mr. Wilson's past administration, and what they would hope to enjoy should Wilson be returned again to power.

The Soviets of Russia have made grafting a capital crime. Recently they executed 11 men for stealing from the Government. If such a law as this had been on our statute books and enforced during the last administration, the graves of American soldiers would have been exceeded in number only by the graves of the criminals who pilfered the people's money in the building of ships, airplanes, and the like.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

#### OWNERSHIP OF VESSELS BY CITIZENS OF THE UNITED STATES.

SEC. 409. (a) Compensation shall be paid in respect to any vessel only for mileage covered while the vessel is owned by a person a citizen of the United States.

(b) Compensation earned after three years from the enactment of this act shall not be paid to any vessel owner unless, at all times during the period over which such compensation was earned, at least 75 per cent of (1) the total gross tonnage of all vessels (other than those documented for the coastwise trade only and other than those operating on the Great Lakes or adjacent or connecting waterways upon voyages neither beginning nor terminating east of Quebec, Canada), which are owned or chartered by such vessel owner, or for which such owner acts as agent, plus (2) the total gross tonnage of all such vessels owned or chartered by any person affiliated with such vessel owner, or for which such affiliated person acts as agent, is comprised of vessels registered under the laws of the United States.

(c) For the purpose of subdivision (b)—

(1) Two or more corporations or associations shall be held to be affiliated if one corporation or association owns directly, or controls through closely affiliated interests or by a nominee or nominees, 50 per cent or more of the outstanding voting stock or voting power of the other, and owns directly, or through closely affiliated interests or by a nominee or nominees, 80 per cent or more of all the outstanding stock or interest in the other; or if 50 per cent or more of the outstanding voting stock or voting power of two or more corporations or associations is owned directly, or controlled through closely affiliated interests or by a nominee or nominees, by the same interests, and 80 per cent or more of all the outstanding stock or interest in such corporations or associations is owned directly, or through closely affiliated interests or by a nominee or nominees, by the same interests.

(2) An individual or partnership shall be held to be affiliated with a corporation or association if 50 per cent or more of the outstanding voting stock or voting power of such corporation or association is owned directly, or controlled through closely affiliated interests or by a nominee or nominees, by the individual or partnership, and 80 per cent or more of all the outstanding stock or interest in the corporation or association is owned directly, or through closely affiliated interests or by a nominee or nominees, by the individual or partnership.

(d) The board may suspend from time to time the provisions of subdivision (b) in respect to a power-driven vessel of a particular type or kind, which any person desires to own or charter, if, in the opinion of the board, vessels of such type or kind registered, or enrolled and licensed, under the laws of the United States are not reasonably available for the purposes desired. Any vessel in respect to which such suspension is made shall not be counted in computing gross tonnage for the purposes of subdivision (b).

Mr. BRIGGS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 36, strike out all of lines 4 to 25, inclusive, and also lines 1 to 4, inclusive, on page 37.



Mr. BRIGGS. Mr. Chairman, this amendment would strike out the definition of affiliated interests which confines it to 50 per cent or more of the stock.

Yesterday I offered an amendment with reference to the term "affiliated" in another part of the bill, contending, as I contend now, that the question of whether or not one organization is affiliated with another ought to be left to the determination as a question of fact and not be so defined that these corporations can easily get from under the limitation proposed by the bill through a definition which comes to the rescue. The Federal Trade Commission has utterly condemned any such practice as defining the term "affiliation" as only including ownership of 50 per cent or more or any other fixed percentage. They have pointed out that the Standard Oil Co. of Indiana controls the organization in Wyoming with only 30 or 40 per cent ownership, while Mr. Gould controlled the Missouri Pacific with only 23 per cent of that stock.

This bill proposes to give the greatest subsidy, both in cash and in tax exemptions, that the world has ever known. The proponents of it talk about taking the Government out of the business of operating ships and relieving the Government of the losses which are being sustained now through their operation. Why, my colleagues, you are just putting the Government into business. Instead of giving the board a chance, with the revival of trade, to cut down its losses, as Mr. Lasker said he could do with a slight upturn in trade, and that that was expected within the next two years, you exchange for that chance the certainty of fixing on the backs of the people for 10 years—the President put it 25 years in his message—and I think perpetually, from \$500,000,000 to \$1,000,000,000 taxes, and you call that relieving the people of Government expense. Mr. Chairman, I ask for the adoption of this amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. KIRKPATRICK. Mr. Chairman, I move that all debate upon this section and all amendments thereto be now closed.

The motion was agreed to.

The Clerk read as follows:

#### INCREASE AND DECREASE OF COMPENSATION.

SEC. 410. (a) Whenever the board determines that in order to promote the welfare of the United States, the operation of vessels in any particular service, or of any particular type and kind, is desirable and necessary, and that the rate of compensation authorized under section 404 is insufficient to induce the operation of vessels in such service, or of such type and kind, the board in making the contract for compensation may provide therein for the increase of the rate of compensation authorized in respect to such vessel under said section, to such an extent as it deems necessary to procure the establishment and maintenance of such service and the operation of vessels in such service, or the operation of vessels of such type and kind; but the rate of compensation as so increased shall not exceed twice the rate authorized by said section. As used in this subdivision and in section 411 the term "service" includes the route on which the vessel operates, the frequency of sailings, and the speed which she maintains.

(b) Whenever the board determines that the rate of compensation authorized under section 404 is excessive under the special circumstances of any particular case, it shall, in making the contract for compensation, provide therein for the decrease of the rate of compensation to such an extent as it deems advisable.

(c) After the making of the contract of compensation the board may, with the consent of the other party thereto, decrease or, within the limit provided by subdivision (a), increase, the rate of compensation to be paid.

(d) No increase or decrease shall be made under the provisions of this section unless such increase or decrease is specifically authorized by the board upon the affirmative vote of not less than five members, and unless such vote and a full statement of the reasons for the increase or decrease are spread upon the minutes of the board.

Mr. BANKHEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BANKHEAD: Strike out paragraph (a) of section 410.

Mr. BANKHEAD. Mr. Chairman, it seems to me if there is any provision in this bill which should legitimately challenge the attention, even of the proponents of the proposition, it is included in the provisions of paragraph (a) of this section. There are a great many gentlemen on this floor who have grave doubts as to the propriety of giving a direct subsidy to any private enterprise, and there are gentlemen here who have doubts as to the wisdom of setting the precedent of paying, in effect, out of the Treasury of the United States private shipowners the amount fixed in the schedules of the bill as now presented, but it seems to me that when the Shipping Board, who are the proponents of this proposition, bring in a bill not only authorizing the payment of these tremendous subsidies to the operators of these ships, but going further than that and deliberately giving to the unrestrained discretion of these members of the Shipping Board the right to absolutely double the amount of this compensation, they have certainly gone beyond the reasonable

limits of the exercise of discretion. Not only that, but they are extremely anxious to see that there shall be no restraint upon the exercise of this power if they can get it, and if you will turn to page 47 of the bill you will find in section 418 that the determination of the board as to the amount of compensation to which any person is entitled under the provisions of that title shall not be subject to review by the general accounting office, and so forth. What will be the practical effect of this discretion, the possibilities of its exercise, if this power is left in the hands of the Shipping Board? I do not know who is going to constitute the Shipping Board in the years to come under the operation of this bill. It is not necessary to make any criticism of the present personnel of the board, and it is not our purpose to do that, but under the plain language of this bill it actually gives them the opportunity and the privilege and the power without review by anybody, Congress or any other reviewing authority, to restore this additional 100 per cent gratuity upon these private operators.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. HARDY of Texas. If this law goes into effect with this provision, giving the absolute authority to increase this pay to double the amount prescribed by the bill, will there not be great inducement for great interests to seek to select the members of the Shipping Board?

Mr. BANKHEAD. Absolutely; there can be no question about that proposition. There are certainly enough bestowals of power upon the Shipping Board outside of this provision in this bill that might be legitimately criticized, but for the life of me I can not see how any gentleman, even on that side or on this side of the aisle, is willing to go to the extent of deliberately declaring by permitting the provision to remain in the bill a willingness to bestow such power upon a small number of men. Their judgment may be fallible.

Improper influences might be brought to bear upon them in the presentation of the fact, even though they were as honest as could be. If this power is not restrained, if it be not limited, it gives to this handful of men the opportunity to take out of the Treasury of the United States from thirty to fifty million dollars a year additional bonus or subsidy to be conferred upon these shipowners.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. NEWTON of Minnesota. Do I understand from this provision that the board could allow additional compensation to one line and deny it to another?

Mr. BANKHEAD. Absolutely.

Mr. NEWTON of Minnesota. With no provision for review in any way whatsoever?

Mr. BANKHEAD. Absolutely none. I do not think that that will be denied.

Mr. MOORE of Virginia. Would not this provision put the board at the mercy of the shipping interests acting in concert, who would contend their inability to get along without doubling the compensation?

Mr. BANKHEAD. I do not see how that criticism can be successfully denied.

Mr. BRIGGS. Did not the director of research of the Shipping Board testify that the cash subsidy, which he estimated annually at \$32,000,000, would amount to \$64,000,000 a year under this provision, if they exercised the power to the extent of 100 per cent?

Mr. BANKHEAD. That is disclosed by the Record.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. KIRKPATRICK. Mr. Chairman, the gentleman from Alabama [Mr. BANKHEAD] has insisted upon the unlimited power of the Shipping Board in this case. I call the attention of the committee to subsection (d) of this same section of the bill, which provides that no increase or decrease under the provisions of this section shall be made unless such increase or decrease is specifically authorized by the board upon the affirmative vote of not less than five members, and unless such vote and a full statement of the reasons are spread upon the minutes of the board.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. KIRKPATRICK. Just let me make my statement first. The reasons for this provision permitting the increase of subsidies under certain circumstances are these: In the first place, there may be certain routes that are important and valuable which must be built up, which can not make money at the present time without additional subsidies. Such a line is the line now running from San Francisco to Australia, stopping at



our naval base at Samoa and at Honolulu. That route under present conditions can not make money. It may in the future, but it is not now profitable under the basic subsidy, and this fact is perfectly evident from the records of the company. If we are going to keep that route going we have to give some additional inducement.

In the second place, it may be necessary, important, and valuable to our Navy to develop certain types of ships. For instance, a liner making 28 to 30 knots an hour may be a most valuable ship in time of war as a scout cruiser. It is a ship that can not be operated under any conditions at a profit in time of peace. You can not make money on that kind of a boat. The Shipping Board, to encourage the building of a few of that particular type of ship, might allow the owners an additional subsidy under this provision.

And again, on certain specified particular routes or services we might meet subsidized foreign competition, which subsidy might be increased in order to drive our shipping out of that particular route or particular service. Under this section the Shipping Board may meet this increase, under the limitations which are provided for in the last section, by a corresponding increase.

Now, let me call the attention of the committee to one more thing. The subsidy provided in this bill, the basic subsidy, does not nearly meet the differential in the operating cost between our ships and those of our nearest competitor, Great Britain. I do not believe it will more than meet that if it were doubled, and, as a matter of fact, it does not meet it to-day. Now, I yield to the gentleman from Alabama.

Mr. BANKHEAD. Under the statement which the gentleman just made, of course, in all human probability the board is going to have to exercise its discretion, and it will certainly increase or double the amount of subsidy authorized by this bill, because the gentleman says this subsidy in his opinion will not be sufficient.

Mr. KIRKPATRICK. I said that the basic subsidy would not make up the differential. In addition to the direct subsidy we have the indirect aids, the growth of our trade, and all the other elements that enter into the successful development of a merchant marine.

Mr. BANKHEAD. Under this bill, under the restrictions referred to, five members of the Shipping Board can absolutely double the amount of subsidy to be given to each operator under this bill.

Mr. KIRKPATRICK. They have that power, but I do not think there is the slightest possibility of exercising it except in a case of some specific condition such as I referred to.

Mr. BANKHEAD. But they have the power?

Mr. KIRKPATRICK. Yes; but they must put their reasons before the public, and there must be a concurrence of five members of that board.

Mr. EDMONDS. Mr. Chairman, I would like to get a little time on the amendment, and I move to strike out the last word. It is rather amazing to me to hear gentlemen in opposition to the bill criticize the Shipping Board. During my time in the House the Shipping Board has received not millions of dollars but billions of dollars, and no restrictions were placed upon the expenditure of it. But gentlemen now find great fault that within the limitation of the appropriations of this Congress the Shipping Board should have a little leeway to raise the rates of subsidy, subvention, or compensation, or whatever you may want to call it, where it is found necessary to provide services. I can not understand their position. We are trying to build up the merchant marine. We have been doing our best to produce a bill which will do it. There ought to be some elasticity. The reason your Government is not successful in the operation of ships is because it has no elasticity. If you could have elasticity the board could operate these ships as the ordinary private operator. But they do not. You restrict, hamper, and hamstring them so they can not operate the ships except in a most expensive manner. What are you trying to do? You take the line to Australia, which only six months ago was going to go out of business, and would have but for a section of the Jones bill in connection with the Post Office contract. They could not make money. Now, in this section we give a chance for the board, if in its discretion it concludes it is the proper thing to do, to give a little more aid to these boats, and without their coming to Congress. But remember, gentlemen, they have only so much money to use, anyhow, and they can not in any way exceed the appropriation. Further than that, they have to make an accounting every year of their expenditures.

I would be perfectly willing, as far as I am concerned, to go a little further. In the bill the board have to file their statement and five members have to vote for this increase or

decrease. As I say, I will go a little further. I will agree with the gentlemen of the minority to a provision that such increase or decrease be approved by the President of the United States. If you feel that the Shipping Board should not have that authority, I will agree to that.

Mr. DAVIS of Tennessee. Does the gentleman from Pennsylvania think that the President in any instance is going into the merits of the proposition? Does not the gentleman think that he would simply accept the statement of the Shipping Board and approve it?

Mr. EDMONDS. He would be probably as honest as any Democratic President ever was.

Mr. DAVIS of Tennessee. Does the gentleman think the President of either party could attend to all these details? It would be physically impossible.

Mr. EDMONDS. I think the gentleman realizes the fact that there are not going to be so many details of increases and decreases that the President can not attend to it.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. McDUFFIE. Does not the gentleman think it is going to be absolutely necessary to increase the compensation for the tramp service, that carries the bulk of the commerce of the Nation?

Mr. EDMONDS. The gentleman, being opposed to the bill, would rather see them swallowed up by the sea altogether, would he not? I think the tramp service will be able to get along with what we give them in the bill.

Mr. McDUFFIE. I do not think so.

Mr. CONNALLY of Texas. Mr. Chairman, I wish to speak in opposition to the pending amendment.

The CHAIRMAN. The gentleman from Texas is recognized in opposition to the pending amendment.

Mr. CONNALLY of Texas. Mr. Chairman, most of the law books define "larceny" as depriving another of his property without his consent or his knowledge. This whole bill is a piece of legislative larceny. [Laughter.]

In the first place, the Republican House is going to deprive the people of the United States of quite a sum of money, and the fact that you are ramming this bill through now before the 4th of March is evidence of the fact that you know it is against the consent of the people of the United States, because you know they do not want it, and you know that if you should wait until after the 4th of next March it would be impossible to pass this bill.

I want to call the attention of the committee, however, to page 38, section (c), which reads as follows:

(c) After the making of the contract of compensation the board may, with the consent of the other party thereto, decrease or, within the limit provided by subdivision (a), increase, the rate of compensation to be paid.

Note the language. Gentlemen of the committee, what do you want a contract for? Why go through all the mummery and the mockery of writing provisions in this bill to the effect that the Shipping Board is to execute contracts with the shipowners and ship companies as to the terms under which ships shall be operated, and then in the next clause provide that the board may raise the rate of compensation if it desires to do so, but that, of course, it must have the consent of the operators to decrease it. Which it will never get.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. GARRETT of Tennessee. You will notice also that it requires the consent of the operator to increase it. [Laughter.]

Mr. CONNALLY of Texas. Oh, no; and I will tell the gentleman why it does not require the consent of the operator to increase the compensation. It is because under the terms of this bill gentlemen on the Republican side are so determined to give the shipowners all the money they can prize out of the Treasury that they will give it to them whether they consent or not. [Laughter.]

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. BEGG. How much of that money comes from Texas? Regardless of what the amount is, how much of it comes from Texas? Not enough to buy a cheap cigar! [Laughter.]

Mr. CONNALLY of Texas. All right. We have to smoke cheap cigars down in Texas, because we are taxed so heavily under the Republican tariff and revenue laws. [Laughter.]

Mr. BEGG. Tell us where it is coming from. It is not coming from Texas or Alabama or Tennessee.

Mr. CONNALLY of Texas. I do not know the exact or direct amount. But I will answer the gentleman's question. The gentleman from Ohio is one type of partisan, one type of

legislator, who has got the dollars that he thinks his constituents are going to get out of this bill so close up to his eyes that he can not see all the great millions of people in the United States who, although they may not pay it directly out of their pockets into the Treasury, yet pay every time they buy a suit of clothes, or eat a mouthful of food, or ship a pound of their produce to Europe, or buy a tariff-taxed article, a part of the burdens which the Republican Party imposes on the people of the United States by its tariffs and subsidies the fruits of which it is taking and handing out in concrete form to the beneficiaries of that policy of greed. The gentleman from Ohio is of that type of statesmen who believe that unto the man who hath there shall be added that which belongs to some one else, and that as to the man who hath not, even that which he hath not shall be taken away. [Laughter.] The gentleman from Ohio believes that a very great shipping concern like the Standard Oil Co., that transports in its tankers from the fields of Mexico millions and millions of dollars' worth of oil every year, ought to be entitled to a subsidy for carrying its own oil, and that the poor farmer down in Texas or Ohio or Kansas, who has been taxed by this robber tariff and by Federal taxation until he can not pay the expenses of producing what the gentleman's friends in Ohio would buy from him at starvation prices, should be taxed to pay that bonus to the Standard Oil Co. That is the kind of statesman the gentleman from Ohio is. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CHINDBLOM. Mr. Chairman, I move that the debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Illinois moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. All debate is closed. The question is on agreeing to the amendment offered by the gentleman from Alabama.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to have the amendment read.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that the amendment be again reported. Is there objection?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Strike out paragraph (a) of section 410.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. BANKHEAD. Mr. Chairman, I ask for a division.

The CHAIRMAN. The gentleman from Alabama asks for a division.

The committee divided; and there were—ayes 43, noes 70.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: Page 38, line 24, after the period, add the following: "Provided, That any compensation contract made under this act shall be subject to the repeal or amendment of the act by the Sixty-eighth Congress or any subsequent Congress."

The CHAIRMAN. The question is on agreeing to the amendment.

The question being taken, the amendment was rejected.

Mr. MOORE of Virginia. Mr. Chairman, I ask that I may be allowed half a minute to make a statement on behalf of my colleague, the gentleman from Virginia [Mr. TUCKER], who is absent on account of illness. He wishes me to state that if he were present he would move to strike out section 410; and he asks permission to extend his remarks on that portion of the bill or any other portion of the bill which he may wish to discuss.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. MOORE]?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Chairman, in the absence of the gentleman from Virginia [Mr. TUCKER], I move to strike out section 410, which would permit the increase or decrease of compensation by the Shipping Board.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. DAVIS of Tennessee: Page 37, line 15, strike out section 410.

The CHAIRMAN. The question is on agreeing to the amendment.

The question being taken, the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 38, strike out in line 16, after the word "may," the words "with the consent of the other party thereto."

The CHAIRMAN. The question is on agreeing to the amendment.

The question being taken, the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### REQUISITION OF COMPENSATED VESSELS.

SEC. 412. Any vessel in respect to which a contract for compensation is made may, at any time during the period for which the contract is made, be taken and purchased or used by the United States for national defense or during any national emergency declared by proclamation of the President. In such event the owner shall be paid the fair actual value of the vessel at the time of taking, or paid fair compensation for her use based upon such fair actual value; but in neither case shall such fair actual value be enhanced by the causes necessitating the taking. In the case of a vessel taken and used, but not purchased, the vessel shall be restored to the owner in a condition at least as good as when taken, less reasonable wear and tear, or the owner shall be paid an amount for reconditioning sufficient to place the vessel in such condition. The owner shall not be paid for any consequential damages arising from such taking and purchase or use. If there is a disagreement between the United States and the owner of the vessel as to the fair actual value, fair compensation, or amount for reconditioning, such value, compensation, or amount shall be determined by arbitration, one of the arbitrators to be selected by the President, one by the owner of the vessel, and the third by the two thus selected, or, if they can not agree, by the Chief Justice of the United States.

Mr. DAVIS of Tennessee. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 40, line 1, after the word "taking," insert "which shall be construed to be the original cost to the owner of the vessel plus betterments and minus 5 per cent annual depreciation."

Mr. DAVIS of Tennessee. Mr. Chairman, one of the claims made in behalf of this bill is the national-defense feature, in order that we may have the ships for use in the event of future wars. Now, this amendment which I propose simply fixes the method by which the price may be determined, which is that if the Government takes over a ship it shall pay the cost price to the purchaser plus betterments, less 5 per cent annual depreciation, which is generally agreed to be a fair figure for depreciation.

Now, why is this important? Simply because unless something of this kind is fixed, if we get into another war the Government will have to do what was done during the last war. It will have to pay war prices, because during the last war this Government and others had to pay several times as much as the ship was worth before the war. They had to pay enormous prices for the use of ships; and as a matter of fact the Government paid considerably more than \$200,000,000 for the charter hire alone of the vessels which they took for use, and that did not take into consideration the cost of operation. In other words, the amount paid for the ships that were simply taken for use amounted to more than it is expected to get for the entire Government fleet.

As I said yesterday, during the war shipowners ran up freight rates on the Government over 1,200 per cent. They ran up the price of tonnage in proportion. Now, if we are to sell these ships to the shipowners at a small percentage of their pre-war price or of what they can ever be built for again, if we are to exempt them from taxes, if we are to pay them these subsidies, if we are to give them the other benefits of the bill, then is it unreasonable to ask that there be embodied in the compensation contract a provision that if we ever get into war and if the Government must buy these ships it shall pay the cost price to the favored purchaser plus betterments and less depreciation?

It is simply a provision to prevent profiteering upon the Government because of war conditions and because of the high prices which result from war. And the same thing with regard to the use of the ships. It is later provided that if the Government uses the ships instead of purchasing them the charter price shall be based upon such fair value, and that would follow my amendment and apply to it also. I want to know what objection any representative of the people can have to this simple, fair provision for the protection of the public interest in time of war.



Mr. SEARS. The principal argument was that we had to do this in order that we could get vessels in case of war?

Mr. DAVIS of Tennessee. Yes.

Mr. SEARS. The gentleman's contention, which I think is correct, is that unless this provision is adopted we will not have vessels in case of war unless we pay enormous prices again, like we did during the last war.

Mr. DAVIS of Tennessee. We will not, because the bill, as it now reads, says that they shall be paid "the fair actual value of the vessel at the time of taking," which would be in the midst of war, because the Government will not want to take the vessels unless we are at war and need the vessels for war purposes. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. EDMONDS. Mr. Chairman, the amendment offered by the gentleman from Tennessee [Mr. DAVIS] wants us to take the ships in time of war at the original cost to the vessel owner plus betterments and minus 5 per cent annual depreciation. I should like to suggest that the Atlantic Fruit Co., which paid \$200 a ton and a little over to the Shipping Board would be very glad to see that provision in the bill, because if the Government should take their ships they could get \$200 a ton. That is what the gentleman's amendment says, if you wish to vote for it. As a matter of fact, here is what the situation was: We were confronted with a situation where men had bought high-priced ships. If we said just exactly what the gentleman wants to say in the bill, and what his amendment says, if we had said that we would have placed upon the Government, if we should have a war within two or three or four years, the taking back of these ships at the enormous prices paid for those ships by these men.

Mr. DAVIS of Tennessee. Mr. Raymond, president of the American Steamship Owners' Association, said at the hearing that there were no ships bought at that price now in operation, that they had gone out of commission.

Mr. EDMONDS. I do not care what Mr. Raymond said. The Atlantic Fruit Co. is in operation and has some ships that it bought from the Government at high prices, and there are other ships, too. If I were over in my office I could give you the names of a dozen lines that have paid high prices—some Philadelphia lines.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. HARDY of Texas. Does not the gentleman know that 90 per cent of the ships will be ships bought at post-war prices?

Mr. EDMONDS. That may be true, but what we did was this: We said that the people would be paid the fair actual value of the vessel at the time of the taking, and in neither case should the fair actual value be increased by the cause necessitating the taking. The gentleman made the statement that if there was war there would be a greatly enhanced price. We have taken care of it in the bill so that a man will only be paid its fair value. It would be foolish for us to pass the amendment offered by the gentleman from Tennessee, because if we had a war within the next five years we might have to take ships that were bought for \$200 or \$250 a ton during the war. Nothing would please these owners any more than a provision of that kind. They probably are not worth now \$100 a ton. We studied this at all angles and decided that the best we could do was to put in a provision in order to protect the Government from just such a condition as the gentleman's amendment would bring about.

Mr. CHINDBLOM. Will the gentleman allow me a suggestion?

Mr. EDMONDS. Certainly.

Mr. CHINDBLOM. And, as a matter of fact, we have safeguarded it by providing that the fair value shall not be enhanced by the cause that necessitates the taking.

Mr. EDMONDS. Yes; I have just alluded to that. When the war started we paid \$57,000,000 to the British Government for the transportation of troops. We paid \$70,000,000 to the Cunard Line for requisitioned vessels that we took over because we did not have the wisdom to order them ourselves.

Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

Mr. HARDY of Texas. Mr. Chairman, I wish the gentleman would not make that motion. I would like to have five minutes.

Mr. EDMONDS. Very well, Mr. Chairman, I move that all debate close in five minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Pennsylvania.

The question was taken, and the motion was agreed to.

Mr. HARDY of Texas. Mr. Chairman, in answer to the argument of the gentleman from Pennsylvania, let me make

this plain, clear, and true statement to Members on both sides. It is admitted that there may be one or two companies who have bought a few ships during the war at high prices which they have not subsequently sold. Some have turned them back to the Government. Over 90 per cent of the existing tonnage of the United States to-day is still in the hands of the Shipping Board, and it is expected that they will be sold at \$20 or \$30 a ton. Under this bill the purchaser from the Shipping Board of these ships may buy them and run them under a subsidy for 10 years, and at the end of that 10 years, if we get into another war and go to requisition the ships, you will find that the market value of those ships has been increased 200 or 300 per cent. They will be requisitioned and paid for by the Government, not at \$20 or \$30 a ton, but under this bill at \$100 or more a ton. We did it in the Spanish War, we did it in the last war. This bill proposes that the Government shall have the right to take the ships and pay the market price at the time of taking. That is the provision of the bill, and the rest of the section is camouflage and useless. It is a recognition of the right of the subsidized vessels to charge the Government war prices for these ships, if we ever have to take them. Certainly they will do it. If you want to give these ships away and then 10 or 20 years later pay the top price after they have been subsidized for that length of time, pay the war prices, then reject the amendment offered by the gentleman from Tennessee. If you want to pay what they cost, after allowing for a depreciation of 5 per cent per annum, and pay for any betterments that they put on, if you want to give them what they are entitled to, accept this amendment. I believe in calmer moments when you will not seek to reject this amendment just because it comes from this side, you will say that this amendment is just. We tried to get it in in committee, and you ought to adopt it in the Committee of the Whole. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. DAVIS of Tennessee) there were 37 ayes and 60 noes.

So the amendment was rejected.

The Clerk read as follows:

#### REPAYMENT OF COMPENSATION.

SEC. 416. (a) When used in this section the terms "taxable year," "gross income," "net income," and "invested capital" shall have the same meaning as when used in the revenue act of 1921.

(b) The owner of a vessel or vessels who has made a contract with the board for compensation in respect thereto shall pay to the United States 50 per cent of the amount by which his net income for the taxable year, attributable to the operations of such vessels, exceeds 10 per cent of his invested capital for such year attributable to such vessels; but in no case shall the amount so to be paid exceed the amount of compensation earned in respect to such vessels during the taxable year under a contract made under this title by the owner.

(c) In computing the gross income attributable to the operations of the vessels there shall be included the amount of compensation earned under this title in respect to the vessels during the taxable year. In computing the net income attributable to the operations of the vessels there shall be deducted from gross income a reasonable amount, determined by the board and certified by it to the Commissioner of Internal Revenue, as representing the fair value of the products, services, or facilities furnished by the owner of the vessels in connection with the operations of the vessels. There shall not be allowed as a deduction in computing the net income attributable to the operations of the vessels the deduction provided in section 265 of the revenue act of 1921 as amended by this act.

(d) If the owner of the vessels uses them in whole or in part for the transportation of his own property, his gross income attributable to the operations of the vessels in transporting such property shall be considered to be such amount as is determined by the board and certified by it to the Commissioner of Internal Revenue as representing the fair value of the services performed by the vessels in transporting such property.

(e) If the owner of the vessels is an individual, a partnership, or an estate or trust, the invested capital shall be determined under rules and regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, so as to equal, as nearly as may be practicable, the invested capital that would be allowable to such owner if a corporation.

(f) For the purpose of making an accurate distribution or apportionment of profits, income, deductions, or invested capital, in computing net income and invested capital for the taxable year, among two or more trades or businesses (whether incorporated or unincorporated, or whether or not organized or created in the United States) controlled directly or indirectly by the same interests, the Commissioner of Internal Revenue may consolidate the accounts of such trades or businesses in any of the following cases:

(1) If the person conducting one of such trades or businesses in dealing with the person conducting another, bought from or sold to the other person during the taxable year products, services or facilities at prices above or below the current market price, thus effecting an artificial distribution of profits;

(2) If one such person in any way so arranged his financial relations with another such person during the taxable year as to assign to either a disproportionate share of net income or invested capital; or

(3) Where for any reason it appears to the Commissioner of Internal Revenue that the net income or invested capital attributable to the vessels as shown by the return of the owner does not fairly reflect the actual or true net income or invested capital of the owner.

(g) Every person liable for the payment provided for in subdivision (b) shall make, at the time and in the manner provided by law for



making his income-tax return, a return, in such form as may be prescribed by the Commissioner of Internal Revenue, stating his net income attributable to the operations of the vessels, his invested capital attributable to the vessels, and any other information relating to the determination of the amount payable under this section, which may be required by the commissioner. A copy of such return, together with all schedules and data submitted therewith, shall be transmitted to the board at the same time that the return is filed.

(h) The entire amount for which the owner of the vessels is liable under this section shall be due and payable at the same time and in the same manner, and shall be collected in the same manner, as the first installment of income tax imposed by law.

(i) For the purposes of this section the amount of compensation earned in respect to the vessels during the taxable year shall be determined by the board and certified by it to the Commissioner of Internal Revenue.

(j) Amounts paid under this section shall be covered into the Treasury to the credit of the merchant marine fund created by section 402. Any refunds due on account of overpayment shall be paid out of such fund on vouchers approved by the Commissioner of Internal Revenue and countersigned by the chairman of the board.

(k) The provisions of Titles I, II, III, and XIII of the revenue act of 1921, including penal and other provisions relating to the assessment, collection, remission, or refunding of income and excess-profits taxes imposed by act of Congress, and the provisions of any other internal revenue law of the United States relating to the assessment, collection, remission, or refunding of such taxes, shall, so far as practicable, extend and be applicable to the determination, collection, remission, or refunding of the payments provided for in this section.

(l) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make rules and regulations for the enforcement of the provisions of this section, and shall have charge of the administration of this section.

Mr. BRIGGS. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

On page 42 strike out lines 9 to 12, inclusive, and insert the following:

"Provided, That any compensation received by such owner from the Government for prior years under a contract made under this title shall also be repaid out of the remainder of the net income exceeding 10 per cent of the invested capital for any year during the life of such contract."

Mr. BRIGGS. Mr. Chairman, it has been contended all along apparently by the proponents of the subsidy that where shipping organizations earn more than 10 per cent on the investment they would return to the Government the subsidy they had received. But this bill does not so provide. This bill expressly limits that return to the subsidy received in one year where the earnings exceed 10 per cent. In other words, some shipping concern, some syndicate, taking over these ships might not earn more than 10 per cent for seven years of its existence, but in the eighth year might earn 50 or 100 per cent. And it would not pay back to the Government one dollar of the subsidy received except during the eighth year. My amendment provides that when they have received the subsidy from the Government for several years and they earn more than 10 per cent, that not only the subsidy of that year but the subsidy prior to that time shall be returned to the Government because it shows plainly that there is no longer any reason for their having that extra advantage.

All through this bill provision is made in every form for granting every possible aid. In fact, the chairman of the Shipping Board himself stated that if anybody knew of any indirect aid which had not been included in the bill he would like to have it mentioned, so that it might be included.

The Standard Oil Co. is still a beneficiary under the terms of the bill; the United States Steel Corporation is a beneficiary. They receive all of the indirect benefits of this law, all of the tax exemptions, all the extra depreciation allowances, and other rewards. They receive benefits on every commodity which they carry that is not their own, even though one or more, like the Standard Oil Trust, may be declaring stock dividends, the greatest ever known, up to 900 per cent, and additional 300 per cent dividends through its subsidiaries.

Mr. EDMONDS. Mr. Chairman, the gentleman's amendment shows how little study he has given to the subject. We will take the case of the Atlantic, Gulf & West Indies Steamship Co. From 1916 to 1921 they made an average of 8.52 per cent earnings on capital investment. In 1916 they made a percentage of 21.15, and we would have had a little over 50 per cent of subsidy returned in that year. In 1917 they made 19.97 per cent, and we would have had about 50 per cent of the subsidy returned in that year. In 1918 they made 3.80 per cent, which would have given us nothing. In 1919, 10.25 per cent, when we would have gotten a little bit of subsidy return. In 1920 they made 1.77 per cent, nothing, and in 1921 they lost 4.09 per cent. If you take the average of those five years they made 8.52 per cent, and we could have gotten nothing back in the way of subsidy return, where under the provisions of the bill we would have had something returned.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Not now. I have not the time.

Let us take the case of the Pacific Mail Co. In 1916 for eight months, they made 12.33 per cent, when we would have had a subsidy return; in 1917, 32.30 per cent, when we would have had a considerable return; in 1918, 19.15 per cent, still some return; and in 1919, 33.88 per cent; 1920, 19.87 per cent; and in 1921, 8.38 per cent.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Not now. Let us take the case of the International Mercantile Marine Co. In five years they made an average of 8.01 per cent, with no subsidy return in any one year. Now, take the United Fruit Co. and we find an average there of 16.38 per cent. During a couple of those years we would have gotten no return from our subsidy.

The figures to which I have referred will be published in to-morrow morning's Record, and gentlemen can study them and, if they desire, criticize them. They have been made by Mr. Craemer, assistant to the vice president in charge of finance, of the Shipping Board.

Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Pennsylvania.

The motion was agreed to.

The CHAIRMAN. The question now is on agreeing to the amendment offered by the gentleman from Texas [Mr. Briggs].

The question was taken; and on a division (demanded by Mr. BRIGGS) there were—ayes 39, noes 66.

So the amendment was rejected.

The Clerk read as follows:

#### FINAL DETERMINATION OF AMOUNT OF COMPENSATION.

Sec. 418. The determination of the board as to the amount of compensation to which any person is entitled under the provisions of this title shall not be subject to review by the General Accounting Office.

Mr. GRAHAM of Illinois. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GRAHAM of Illinois: Page 47, lines 7 to 11, strike out section 418.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, this short section provides that the account or compensation paid to any shipowner under this law shall not be subject to review by the General Accounting Office. Why that was put in there I do not know. A little while ago I called up the General Accounting Office of the Treasury Department to ascertain if they knew of the existence of this particular section. The assistant solicitor of that department informed me that they knew nothing of it and asked to have it read. I read it to him, and he expressed great surprise that this was in the bill. I asked him if there were any other governmental accounts that he knew of that were not subject to review by the General Accounting Office, and he told me he knew of none. If this, then, is adopted and written into this law, it will be the first example of the kind, the first provision in any law of that kind. Why is it here. Anyone knows, I assume, that the General Accounting Office does not attempt to review an account as to anything except whether it comes within the letter of the law, whether it strictly complies with the legal requirements. The General Accounting Office ought to have that power. It is unwise and very dangerous for us to say to this board or any other board or to any official of the Government that any vouchers which it or he may issue will go through irrespective of whether they comply with the law or not. This provision says that any compensation paid, which means any sums to be paid, to any shipowner or line can not be subject to any jurisdiction of the General Accounting Office. They will not be able to look over it and decide whether it complies with the law. For some reason unknown to me this committee wants to write this into the law. I see no reason for its being in there. It is unsafe to leave it there.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. BLANTON. Since July, 1919, we have given the Shipping Board \$471,000,000 out of the Treasury in addition to their revolving fund, and upon investigation the gentleman will find that not a single auditor of this Government has ever yet audited the full accounts of the Shipping Board.

Mr. GRAHAM of Illinois. That may be; but I want to say one thing to the Republican side of the House. We lay ourselves open to suspicion when we write this into this bill. There must be some hidden reason for having it there, otherwise why do we depart from the policy that has been followed since the beginning of the Government?



Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?  
Mr. GRAHAM of Illinois. Yes.

Mr. BANKHEAD. The gentleman from Illinois has been very successful in arguing or bluffing his side of the House into accepting his amendments. I trust he will have the same success in respect to this.

Mr. GRAHAM of Illinois. Well, I hope those on the Republican side will listen to me, too. I want this to prevail. We ought to make this bill as good as we can, and there is no reason for this that I can see that has been offered yet.

Mr. LEHLBACH. Mr. Chairman, the reason this section was incorporated in the bill was not sinister or secret or based upon reasons which ought to invite suspicion, but it is a simple matter of common sense and practical administration. If the General Accounting Office were to review payments under the contracts which will be entered into under this bill it would necessitate the building up of an entirely new bureau in the General Accounting Office, duplicating the auditing system of the Shipping Board. Highly technical questions must have consideration in determining payments under these contracts, as to what constitute foreign trade, what is the relation between foreign companies and domestic shipping companies, a thousand and one questions which require experts to determine. But you can adopt this amendment if you want to duplicate the work of the auditing department of the Shipping Board and set up such an auditing system, employ experts, train your force to do this work over again in the General Accounting Office. It was not because anybody was trying to get away with something that this provision was put in here, but it was put in simply to avoid at a great expense the duplication of auditing work which will be done in the first instance under the Shipping Board. It is not a new proposition. This section was taken bodily from the soldiers' bonus bill which twice had the approval of this Chamber, because in the bonus law it would require a duplication of an elaborate and intricate auditing system. If this provision was carried in that bill, it is carried in this law for the same reason and no other.

Mr. FESS. Will the gentleman yield?

Mr. LEHLBACH. I will yield.

Mr. FESS. As a friend of the bill I am asking this question: Why is it we have an auditing department in the Shipping Board; why has it not been transferred?

Mr. LEHLBACH. Simply because of the intricate nature and the widespread and innumerable technical questions which are involved in making these audits and because the general auditing office has not the facilities, without creating new bureaus, to do this work. That is the simple reason. This would simply be a duplication of the work of the Shipping Board, the very thing we are trying to get away from in the executive departments.

Mr. FESS. Will the gentleman answer this question? Would not the transfer of the auditing department to the general auditing office simplify it?

Mr. LEHLBACH. We would have to do the auditing in the Shipping Board, anyhow, in order to determine the compensation that is due various vessels. We could not transfer that auditing department, because it is necessary in order to estimate what is due on the compensation contracts in the first place, so we will have to retain that auditing force in the Shipping Board anyhow, and build up a similar organization in the General Accounting Office to duplicate that work.

Mr. FESS. I am—

Mr. LEHLBACH. It means the employment of hundreds of clerks, guided by and under the supervision of trained experts.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. LEHLBACH. I will.

Mr. GRAHAM of Illinois. Is there any other department of the Government of which the gentleman knows that does not have its own accounting department as well as sending it through the General Accounting Office?

Mr. LEHLBACH. Except in the bonus bill.

Mr. GRAHAM of Illinois. Every department of the Government, so far as the gentleman knows, has its own accounting department and is subject to review by the General Accounting Office?

Mr. LEHLBACH. But it is not a departmental activity. It is quasi governmental activity. It is an arm of the Government in contractual relation with citizens of the Government and is not carrying on departmental work such as the various Departments of State, Agriculture, War and Navy, Interior, Post Office, and so forth.

Mr. GRAHAM of Illinois. But if this be done it will be the only branch of the Government that is not subject to this review?

Mr. LEHLBACH. In the bonus bill—

Mr. GRAHAM of Illinois. But the bonus bill has been passed.

Mr. LEHLBACH. Passed in this House.

Mr. MONDELL. And the gentleman voted for it.

Mr. GRAHAM of Illinois. And I will vote for it again.

Mr. DAVIS of Tennessee. Mr. Chairman, the gentleman who has just spoken is very much afraid there will be an increase of employees in the General Accounting Office, but he is not much afraid of this organization being established and maintained in the Shipping Board in order to perform its functions. It simply shows, as I have asserted before, that this bill provides for the performance of so many different functions in so many different ways by the Shipping Board that it will require a larger organization in the future under this bill than the present law requires. Now, I want to say to the gentleman from Illinois [Mr. GRAHAM] that the reason this provision is in here is because it is one of the numerous provisions contained in this bill to confer upon the Shipping Board and to preserve to them extraordinary and autocratic powers. It is one of the provisions inserted to prevent them from being watched, one which prevents a check. I want to know if these matters are more complicated, more complex, and important than the numerous decisions upon similar matters by the Interstate Commerce Commission which are subject to review by the General Accounting Office. It is the second instance in which this bill violates the provisions of the general Budget law; first, in regard to appropriations and the matter of determining that, and here in preventing a review of their decisions by the General Accounting Office.

Now, here is a provision in the general Budget law which it violates. Section 205 reads as follows:

Section 236 of the Revised Statutes is amended to read as follows:  
SEC. 236. All claims and demands whatever by the Government of the United States, or against it, and all accounts whatever, in which the Government of the United States is concerned, either as debtor or creditor, shall be settled and adjusted in the General Accounting Office.

"All claims and demands whatever."

And yet an exception is to be made in favor of the Shipping Board.

Why? Because they are entitled to more confidence than anybody else? If so, this House has not shown that confidence heretofore. We have repeatedly refused to authorize the Shipping Board to employ a few officials at the prices that they wanted to pay them. We deprived them of that authority. They repeatedly asked for authority to spend certain sums without appropriations, and we refused to grant them that. And yet it is now proposed to pass a bill that confers infinitely greater powers and greater discretion, all through the bill, upon the Shipping Board than those which this House has already gone on record several times in refusing to grant to the Shipping Board.

This bill usurps power now exercised by the President and six Cabinet officers, and now this is inserted to usurp the power of the General Accounting Office and of the Budget Bureau. It invades the functions of all these different officials. And yet those powers and authorities and those opportunities which have been zealously sought by the Shipping Board, it seems, that many Members of the House are bent upon granting to them.

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. All debate is closed. The question is on agreeing to the amendment of the gentleman from Illinois [Mr. GRAHAM].

The question was taken, and the Chairman announced that the "noes" seemed to have it.

Mr. GRAHAM of Illinois. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 52, noes 46.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### TITLE V.—ARMY AND NAVY TRANSPORTS.

SEC. 501. Whenever in the judgment of the President adequate transportation facilities to meet any or all of the needs of the Army, Navy, or Marine Corps are afforded by vessels registered or enrolled and licensed under the laws of the United States, he may direct the discontinuance in whole or in part of the transport service of either the Army or the Navy and transfer to the board or place out of commission any of the vessels now or hereafter engaged in either of such services. Whenever such disposition is made, the Secretary of War and the Secretary of the Navy, respectively, are authorized and directed to enter



into contracts with owners of vessels registered or enrolled and licensed under the laws of the United States for such transportation as may be required by the Army, the Navy, or the Marine Corps, respectively. Such contracts may be for a term of 10 years. The board shall furnish whatever assistance may be necessary in the making of such contracts. There is hereby authorized to be appropriated such sums as are necessary to meet the payments required under such contracts.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 47, line 12, strike out the Title V.

Mr. DAVIS of Tennessee. Mr. Chairman, although it is pretended that one purpose of this bill is national defense, yet this title under consideration proposes to do away with the Army and Navy transport services.

The origin of this system grew out of our experience in the Spanish-American War, and by reason of that experience President Taft recommended to a Republican Congress the provision establishing this service, and it was done, and it has been a part of the Army and Navy Establishments ever since.

Now, it served as a splendid nucleus during the war, and it would do so in the future, but because of the greediness of these private shipping interests who want to perform this service and charge the Government commercial rates this provision is inserted.

It was stated in the original study of the Shipping Board that there should be contained a provision that they would be permitted to charge the Government only a certain percentage of the commercial rates, and Chairman Lasker stated at the hearings that the bill ought to be amended in that respect, but it has not been amended in any such respect.

The gentleman from Pennsylvania [Mr. EDMONDS] last year introduced a separate bill to the same effect as this title, and we had hearings upon it before the Committee on the Merchant Marine and Fisheries. The War Department and the Navy Department sent representatives there, testifying against the bill. And not only that, but the gentleman from Pennsylvania addressed a letter to Secretary Weeks in regard to the matter, and Secretary Weeks made a reply in which he entered into a detailed discussion of the proposition, which will be found upon pages 2467-2469 of the hearings on this bill. That letter was written in October a year ago.

In that letter Secretary Weeks gives the figures to show that after deducting all expenses, interest, and depreciation it was not only cheaper to the Government to carry its troops and supplies and munitions by its own ships than to pay the regular commercial rates for transportation, but he concluded his letter in this wise:

Aside from the mere question of cost, the retention of the transport service as an integral part of the country's Military Establishment is as apparent to those conversant with our military requirements under normal peace conditions as any other arm or service of the War Department.

Now, that was his position. It is true, as the gentleman from Pennsylvania is possibly preparing to say, that they did not appear against this bill at the hearings upon this bill. Why? We undertook to get the witnesses, and for some reason Secretary Weeks declined to permit Colonel Dalton, the Chief of the Transportation Service, to appear and testify upon it.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. EDMONDS. Of course, gentlemen, if you will read the bill you will recognize the fact that the President is authorized to do away with the Army and Navy transport service if he finds it of advantage to do so.

The gentleman from Tennessee [Mr. DAVIS], of course, did not care to take the figures that we got from the War Department in the hearings and figure out for himself how much the transport service cost, but he takes the letter from Secretary Weeks, which forgets to mention the \$24,000,000 worth of ships that they have tied up which belong to their transport service and which they were not using. Of course, there was no deception in that, but, using the cheapest ships, that they have now disposed of, and not using the expensive ships, they made \$107,000 over commercial rates. But had they taken into account the deterioration and the interest account on the investment in the \$24,000,000 worth of ships that are tied up they would have found out that the \$3,000,000 of transport service was conducted at a loss of something like \$5,000,000 or \$6,000,000. That is the reason why Secretary Weeks, after looking into the matter, consented to the proposition that the transport service should be disposed of.

Furthermore, what do we want with a transport service? England uses her commercial ships for her transport service,

so as to build up their lines and have them operating at a profit.

Mr. MONDELL. Will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. MONDELL. Is it not true that no nation on earth has a transport service, such as ours, except a nation that has no merchant marine?

Mr. EDMONDS. I think that is true.

Mr. MONDELL. And the only reason why we inaugurated the transport service was because we did not have a merchant marine to carry our troops and munitions of war?

Mr. EDMONDS. I think that is absolutely true. And, of course, the gentleman must not forget the free rides that people get on transports, either.

Mr. MONDELL. I never took a joy ride on a transport; but I suppose it is a very lovely thing to have an opportunity to do so.

Mr. EDMONDS. Here is a Congress which has an opportunity to dispose of that question. The newspapers say that Members of Congress enjoy their rides on transports. And I notice by the report made that civilians rode on transports to the extent of some \$400,000 worth.

Mr. BLANTON. I presume this is an opportunity to prevent high-titled naval officers attending birthday festivities over in Japan. If it does that I am with the gentleman. I think we ought to prevent the use of the transports to naval officers to go to Japan to attend birthday celebrations.

Mr. EDMONDS. If there is any pretension to economy by the gentleman—

Mr. BLANTON. I am with the gentleman on this.

Mr. EDMONDS. This is the place in the bill for all the economy that is possible in any department of the Government.

Mr. LEHLBACH. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN (Mr. SANDERS of Indiana). The gentleman from New Jersey moves that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment.

The question being taken, the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment which the clerk will report.

The Clerk read as follows:

Amendment proposed by Mr. BRIGGS: Line 7, page 48, strike out the period, insert a colon, and add the following: "Provided, That any such Army and Navy transportation service shall not be discontinued, nor shall contracts for transportation, as designated herein, be made unless the rates charged for such transportation are reasonable, and especially when taken in connection with the cost of such Army and Navy transportation service as now operated."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question being taken, the amendment was rejected.

Mr. BRIGGS. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment proposed by Mr. BRIGGS: Strike out the word "ten," line 3, page 48, and insert "not more than five."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

#### INTERRELATIONS OF RAIL AND WATER TRAFFIC.

SEC. 602. (a) It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation, and the board and the commission are hereby severally authorized, empowered, and directed to cooperate to that end.

(b) The board and the commission are authorized and directed to create a joint board, selected from among their members, officers, and employees, to study the conditions and interrelations of rail and water traffic, and the principles and methods essential to accomplishing the policy declared in subdivision (a).

(c) The joint board shall appoint a secretary, who shall keep minutes of its meetings, which minutes shall be furnished to the members of the board and of the commission. The joint board shall hold regular semimonthly and such additional meetings as may be necessary to transact properly its business.

(d) The joint board shall formulate and make such recommendations to the board and the commission, not inconsistent with law, pertaining to the interrelations of rail and water traffic, as it deems necessary to accomplish the policy declared in subdivision (a). The board shall make effective, by such means as are granted it by law, any such recommendation upon any matter within its jurisdiction, if such recommendation is approved by the board. The commission shall have a like duty as to any such recommendation upon any matter within its jurisdiction.

(e) None of the provisions of this section shall be construed to affect the power or jurisdiction of the commission, or to confer upon the board concurrent power or jurisdiction over any matter within the power or jurisdiction of the commission.



Mr. DEMPSEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: Page 48, line 24, after the word "traffic," insert as a part of the sentence the following: "Questions relative to the control, improvement, and extension of ocean freight terminals."

Mr. STAFFORD. I reserve a point of order on the proposed amendment.

Mr. DEMPSEY. Mr. Chairman, I understand the amendment is accepted by the committee.

Mr. STAFFORD. If that is the fact, I withdraw the reservation of the point of order.

Mr. EDMONDS. The committee has no objection to the amendment.

The CHAIRMAN (Mr. TILSON). The question is on agreeing to the amendment.

The question being taken, the amendment was agreed to.

Mr. BLANTON. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: On page 48, beginning with line 14 and ending with line 23 on page 49, strike out all of section 602.

Mr. BLANTON. Mr. Chairman, I desire to ask the gentleman in charge of the bill how many new employees at high salaries is it contemplated that this new board will require?

Mr. WHITE of Maine. It does not authorize any.

Mr. BLANTON. It provides for a new board, does it not?

Mr. WHITE of Maine. It provides for a board to be selected from among their own members.

Mr. BLANTON. Selected from among Interstate Commerce Commission and the Shipping Board employees and members?

Mr. WHITE of Maine. It means that certain members of the Shipping Board and certain members of the Interstate Commerce Commission may meet together, constituting a new board.

Mr. BLANTON. But it does not say that.

Mr. WHITE of Maine. Yes, it does; for the consideration of the interrelation between rail and water transportation.

Mr. BLANTON. And connected with that meeting of these board members how many extra employees will it require?

Mr. WHITE of Maine. It does not authorize any at all.

Mr. SEARS. Will the gentleman yield?

Mr. BLANTON. In just a moment. I think the time has come when we ought to stop creating these new boards and new employees. We ought first to get rid of the surplus ones that we have in Washington and elsewhere on the pay roll of the Government.

Mr. WHITE of Maine. If the gentleman will permit, the language is this: They are authorized and directed to create a joint board elected from among their members, officers, and employees.

Mr. BLANTON. That is just exactly the point.

Mr. WHITE of Maine. The employees of the Shipping Board and the Interstate Commerce Commission.

Mr. BLANTON. I refuse to yield further, because the gentleman will have his own time to explain. The gentleman answers my questions.

If the board may be selected from among the officers and employees, and it is already admitted that there have been about 4,000 of these employees segregated from the pay roll at this time from what there were a few months ago, there should be several thousand more sent home and taken from the pay roll of the Government. If we create a new board it will be composed of men who will be placed in high-salaried positions who ought not to be on the pay roll of the Government. As long as I am a Member of Congress I am going to vote against the establishment of every new board, commission, or bureau of the Government. We have too many now. If we ever expect to bring about retrenchment in the expenditure of the people's money the time has now come to stop creating new offices. What became of the new office created by the present administration—the political office of the gentleman that was given a high salary to meet with the committee upon which is the gentleman from Virginia [Mr. MOORE] and others? Has there ever been a meeting of that committee?

Mr. LEHLBACH. Mr. Chairman, I make the point of order that the gentleman is discussing the reorganization board and not this bill.

Mr. BLANTON. I am saying that what happened to that reorganization board can happen to this board.

The CHAIRMAN. The gentleman from Texas knows the rules and he will proceed in order.

Mr. BLANTON. Well, Mr. Chairman, we now have such a very distinguished parliamentarian in the chair that I am sure he will not rule me out of order, because I am in order. [Laughter.] The gentleman from Maine ought to be with me on this proposition. The people of Maine ought to be just as anxious for retrenchment and economy as the people anywhere else. I am sure if there is a chance in this bill for a new board and new officers with high salaries from the Government that the gentleman from Maine and the gentleman from New Jersey ought to be as anxious to take it out of the bill as I am.

Mr. ROACH. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. ROACH. If I understand this section, it calls for the coordination of the work of the Interstate Commerce Commission and the Shipping Board, and what objection can there be to that?

Mr. BLANTON. This board could be appointed out of the employees in the two offices. They will become members of the board with high salaries. In other words, they will be leaving a position which pays \$1,500 or \$2,000 and go upon this board and get \$5,000 or \$10,000, as the Shipping Board may allow.

Mr. ROACH. What objection is there to having coordination in the work of these two departments?

Mr. BLANTON. I am objecting to the creation of a new board in this Government.

Mr. WHITE of Maine. Mr. Chairman, this is simply a proposition to permit members of the board and of the Interstate Commerce Commission and certain other employees of each to meet together, constituting a board, a sort of clearing house for the consideration of problems of mutual interest to the two boards. It does not authorize a new salary; it does not authorize a new employee or anything of the sort.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. MOORE of Virginia. I want to say to the gentleman that I understand that at this time there is such a board. They call it the liaison board. It is a board made up of employees of the two bodies, the Shipping Board and the Interstate Commerce Commission.

I think there is one provision here that is objectionable, and that is the requirement of a semimonthly meeting. That may lead to unnecessary expense. What happens now is that the board gets together whenever there is any necessity. I suggest that you strike out any designation of time for a meeting.

Mr. WHITE of Maine. I think the gentleman is right in the statement that they do meet informally now. But we want to make that meeting which is now informal more formal. The reason we put in a time for the stated meeting is that if either board has a matter they wish to discuss with the other board they could bring them to the table and make them listen.

Mr. SEARS. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. SEARS. Paragraph (c) provides that the secretary shall keep the minutes. Will that secretary work for nothing?

Mr. WHITE of Maine. He must be appointed from among the existing employees, from one or the other, and he would work without any additional salary whatever because there is no authorization for a salary.

Mr. SEARS. Then the gentleman assures us that the secretary will not receive any extra salary?

Mr. WHITE of Maine. I do.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. WHITE of Maine. Yes.

Mr. MOORE of Virginia. I understand that several sections in this bill have been framed without any consultation with the Interstate Commerce Commission. I think I am correct on that point. If I had the time I could point out several amendments that everybody should be glad to make in order to prevent any conflict between the two bodies. I know amendments offered by me would not be entertained, but my suggestion is that at some stage the Interstate Commerce Commission should be called upon for its opinion on these provisions.

Mr. WHITE of Maine. I think, although I have never personally talked with them, that the Interstate Commerce Commission has had an opportunity to express its opinion.

Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The question is on the motion of the gentleman from Maine.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

The Clerk read as follows:



## EXPORT BILLS OF LADING.

SEC. 603. Paragraph (4) of section 25 of the interstate commerce act as amended is amended by adding at the end thereof a new sentence to read as follows: "In making rules and regulations prescribing the form of such through bills of lading the commission shall adopt as the portion thereof governing the carriage of goods by water in foreign commerce such form as may be certified to the commission by the United States Shipping Board for such purpose."

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to proceed out of order for five minutes in order to correct what I think is a rather grave injustice done to one of the witnesses who testified before the committee.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. SNYDER. I object.

Mr. MONDELL. Mr. Chairman, I regret, but I have objected all day to discussion out of order, and I feel that I must do so now.

The CHAIRMAN. Objection is heard.

Mr. BANKHEAD. I want to be recognized on my motion, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. BANKHEAD. Mr. Chairman, I shall not undertake to do by indirection what I can not obtain leave to do directly. I hope the gentleman will withdraw the objection. I am not going to raise any controversial issue, but I would like an opportunity to correct a statement with reference to the attitude of Mr. Edgar Wallace, who appeared before the committee as a representative of the American Federation of Labor. I do not say that his position has been wilfully misrepresented, but it has been incorrectly represented in this debate, and in justice to him and his organization I ask this privilege.

Mr. GREENE of Massachusetts. I was the only person who made reference to him.

Mr. BANKHEAD. It is with reference to the statement of the gentleman from Massachusetts in the debate that I ask this privilege.

Mr. GREENE of Massachusetts. I declined to allow it, because I simply spoke from memory. I am willing to have read into the RECORD what he said.

Mr. BANKHEAD. That is all I want to do.

Mr. GREENE of Massachusetts. There is no objection to that.

Mr. BANKHEAD. Then I ask unanimous consent to extend my remarks in the RECORD by reading into the RECORD the question of the gentleman from Massachusetts and the reply of Mr. Wallace.

Mr. GREENE of Massachusetts. The gentleman asked what he said. I stated what he said, intending to state what was true. If I made any misstatement of it—I do not think I did—it was made inadvertently. I have no objection to any correction of that statement, but I do not want the RECORD to be cluttered up with a lot of immaterial matter.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein the question asked by the gentleman from Massachusetts of the witness, Edgar Wallace, in the committee as to his attitude on this question and his reply thereto, only about 10 lines.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

## RAIL-OWNED WATER LINES.

SEC. 604. Paragraph (9) of section 5 of the interstate commerce act, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided, That the foregoing provisions of this paragraph shall not apply in any case where such common carrier by water or such vessel is engaged exclusively (a) in trade (other than with foreign contiguous territory) not included in the coastwise trade, or (b) in trade between ports in the United States and ports in the Philippine Islands."

Mr. GRAHAM of Illinois. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. GRAHAM of Illinois: Page 50, line 21, after the word "Islands," strike out the period, insert a comma in lieu thereof and the following language: "but this proviso shall not apply in any case where such common carrier by water or such vessel is engaged exclusively in trade upon any of the rivers or canals of the United States."

Mr. GRAHAM of Illinois. Mr. Chairman, I understand that there will be no objection to this?

Mr. EDMONDS. None at all. It was not intended that it should apply.

The CHAIRMAN. The question is on agreeing to the committee amendment offered by the gentleman from Illinois.

The amendment was agreed to.

Mr. BRIGGS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Strike out all of lines 11 to 21, inclusive, on page 50.

Mr. BRIGGS. Mr. Chairman, this amendment would strike out the authorization for railroads to engage in overseas foreign trade. It is undoubtedly a distinct departure from the function of the railroads in this country. It brings the railroads into an entirely new field of operation. This law does not subject them any more, for that matter, than anyone else to any regulation of ocean rates. It permits them to enjoy the huge subsidies which are accorded other organizations of steamship companies, although to-day the railroads have favored legislation in the transportation act. It is my opinion, and I think it was very clearly the opinion of many of the witnesses who advocated the adoption of the subsidy, that the railroads ought not to be accorded the privilege of entering the ocean foreign trade.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. EDMONDS. What privilege does this give the railroads that they do not enjoy at the present time?

Mr. BRIGGS. I do not think the railroads enjoy any such privilege; and if they do, I do not think this provision would be in this bill. If they have it without this provision, what objection can the gentleman have to the elimination of the provision?

Mr. EDMONDS. Simply for the reason that the second provision in the bill is the only thing of importance in it, and that is if the coastwise laws are applied to the Philippine Islands it will open up the lines crossing the Pacific to the Philippine Islands. There is nothing in the law to-day that prevents any railroad from having steamships in foreign trade.

Mr. BRIGGS. The gentleman and I disagreed in that all through the hearings. I think the very fact that provision is in the bill exempting them from passing through the Panama Canal indicates that they are now prevented from engaging in ocean trade business on the high seas. I do not believe it is good policy to sanction it now.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BRIGGS. Yes.

Mr. MOORE of Virginia. Awhile ago I stated my belief that no member of the Interstate Commerce Commission or no representative of the commission was called before the committee that framed this bill to express any opinion about it. Is that correct?

Mr. BRIGGS. Not on this question.

Mr. MOORE of Virginia. I will ask the gentleman whether any member or representative of the commission appeared before the Committee on the Merchant Marine and Fisheries?

Mr. BRIGGS. Not a member.

Mr. JONES of Texas. Will the gentleman yield?

Mr. BRIGGS. I will.

Mr. JONES of Texas. In connection with what the gentleman said, I would like to suggest that paragraph 9 of section 5, which this purports to amend, forbids any railroad owning stock in a shipping company engaged in water transportation through the Panama Canal or elsewhere.

Mr. BRIGGS. The railroads have no authority to engage in ocean foreign trade.

Mr. JONES of Texas. Under that act.

Mr. WHITE of Maine. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close. I will modify my motion so as to have debate close in six minutes.

The CHAIRMAN. Without objection, the motion will be amended.

There was no objection.

The motion as amended was agreed to.

Mr. McDUFFIE. Mr. Chairman, I move to strike out section 604, and may I say to the chairman of the Committee on the Merchant Marine [Mr. EDMONDS] that he is very greatly mistaken if he has conceived the idea that I wish to drive the tramp service from the seas or cripple it. I want, and the Democratic Party which has spoken in caucus upon this bill wants, to build up this service and all service. A great many of the people whom I have the honor to represent here are interested particularly in the tramp service, as well as several splendid liner services, but it is a question with me whether or not it will be properly done under the terms of this bill.

I have studied this bill and listened very carefully to the arguments on this floor with the hope that it would be so amended that I could support it, because I do want to see this



country establish a merchant marine in keeping with our position as one of the great world powers. I want our ships to pass into the hands of private ownership, and, above all, it is my desire to get this Government out of the shipping business as soon as possible.

It is a fundamental proposition that no business can be done as successfully operating under a statute as operating under the natural economic business laws and principles. I believe that American genius and industry can compete with that of any nation under conditions of equal opportunity. Therefore it occurs to me if this Congress would wipe from the statute books those shackles which it is claimed now handicap the American operator we can put the American flag upon every sea without a direct subsidy from the Federal Treasury.

Now, as to section 604, I would like to direct your attention to what some of the steamship owners have said, speaking through the Chamber of Commerce of Mobile, to the effect that not only this section but sections 602, 603, 604, and 607 should be eliminated from this bill. As to section 604, they say that it should either be stricken from the bill or so amended that the railroads can not own ships in competition with private steamship owners. They say in a resolution that they indorse the principles set forth in the bill, but appear to be somewhat troubled as to the effect of the sections just named. In accordance with their request to call attention to these sections I am going to ask unanimous consent to insert in my remarks a resolution they forwarded to me several months ago, as well as a letter from the chamber of commerce dealing more in detail with the only sections which appear objectionable to them.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none.

Mr. JONES of Texas. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. JONES of Texas. If this section 604 goes out of the bill, under the law as it now exists railroads owning stock in ships engaged in foreign trade their ships would be forbidden passing through the Panama Canal and elsewhere?

Mr. McDUFFIE. That is the proposition they are interested in. The resolution and letter are as follows:

#### MOBILE CHAMBER OF COMMERCE.

Resolution adopted July 5, 1922, by the Mobile Chamber of Commerce and ordered forwarded to the Alabama delegation in Congress:

"Whereas there is before the Congress of the United States H. R. 12021, known as the ship subsidy bill: Be it

*Resolved*, That the Mobile Chamber of Commerce indorses the principles set forth in this bill with the exception of sections 602, 603, 604, and 607; be it further

*Resolved*, That the Mobile Chamber of Commerce is of the opinion that sections 602, 603, 604, and 607 are inimical to the American steamship owners and have no place in this bill and should be stricken from same; be it further

*Resolved*, That copies of this resolution be sent to Alabama Representatives in Congress, with a request that they use their influence in carrying out the expressed desire of this organization."

I certify the above to be a correct copy of a resolution adopted by the Mobile Chamber of Commerce on July 5, 1922.

P. A. FENIMORE,  
General Secretary.

MOBILE CHAMBER OF COMMERCE AND BUSINESS LEAGUE,  
Mobile, Ala., July 11, 1922.

#### SHIP SUBSIDY BILL.

Hon. JOHN McDUFFIE,  
House Office Building, Washington, D. C.

DEAR MR. McDUFFIE: I am transmitting to you a resolution on the ship subsidy bill, in which this organization expresses its opinion on certain sections which we regard as being detrimental to the American merchant marine. There are four sections—602, 603, 604, and 607—which appear to us as being an attempt by transcontinental rail lines to strangle water service via the Panama Canal.

Section 602 is regarded by our people as being particularly dangerous to the successful operation of established water routes, because of the authority given the joint committee, which it is proposed to set up, to establish the rates to be charged by coastwise lines operating under the American flag. It is our opinion that the Interstate Commerce Commission should not have jurisdiction over coastwise water rates via the Panama Canal, for the reason that they are charged with the responsibility of establishing rail rates that will guarantee the railroads a certain percentage of earnings on the valuation of railroad properties; therefore, the Interstate Commerce Commission can not be regarded as a neutral body as between the rail carriers and water carriers engaged in coastwise business. If the Congress deems it necessary to establish an authority in control of coastwise water rates, a commission should be created that is independent of any responsibility with reference to the rail lines.

Section 603, headed "Export bills of lading": Except for limitations in jurisdiction added by conferees to the transportation act, approved February 28, 1920, section 25 of the interstate commerce act would have authorized the Interstate Commerce Commission to prescribe the terms and provisions of the water portion of a through bill of lading in foreign trade, but only for American flag vessels. Recognizing that the Interstate Commerce Commission could not control a foreign ship operating extraterritorially, Congress limited the jurisdiction of the commission to the transportation which took place within the United States, thereby preventing the commission from exercising a control over United States vessels which they could not exercise over foreign-flag vessels, and the commission in issuing bills of lading instructions to railroad carriers has recognized the lack of jurisdiction to control the provisions of a water bill of lading. In spite of this,

the Shipping Board by the section in the bill amending section 25 seeks to acquire for itself the authority to prescribe the bill of lading terms for vessels of the United States, though it can not acquire and exercise such authority over foreign-flag ships. The authority contained in section 603, if exercised by the board improperly or without due consideration of the foreign competition, would be so prejudicial to American vessels as to more than offset any benefits obtainable by such vessels under the bill. \* \* \* The board now has control over the character of bill of lading on Shipping Board ships. As no good can come of section 603, and a great deal of harm might come of it, this section should be eliminated entirely.

Section 604 should be either stricken from the bill entirely or amended so that railroads can not own ships in competition with owners. The Panama Canal act of 1912 made it unlawful for railroads to operate ships via Panama Canal or otherwise. In the transportation act of 1920 an effort was made to amend the existing law so as to authorize the Interstate Commerce Commission to grant authority to railroad companies to operate vessels, notwithstanding the fact of competition or possibility of competition, if it deemed such operation to be in the public interest and not of a character to exclude, prevent, or reduce competition on the route by water under consideration.

This application for additional authority was rejected by Congress, then it was later introduced as a separate measure in the House and Senate, was referred to the committees of the House and Senate having control of interstate and foreign commerce, so that it evidently was the intent of Congress and of committees having charge of interstate commerce matters not to amend the Panama act so as to permit the railroads to operate ships in competition with themselves in any trade. The Shipping Board is now trying to originate this, subject only to the consideration of the Merchant Marine Committees, and without proper hearings by the Interstate and Foreign Commerce Committee of the House or the Interstate Commerce Committee of the Senate. The railroads are not at present restricted in their ownership of vessels in any trade with which their rail lines, or water lines owned by them, are not or may not be in competition. If railroads were permitted to own ships through the Panama Canal operating either from the Atlantic or Pacific they would then be in direct competition with themselves for business which now moves by rail lines and connecting water lines to foreign ports, and also with privately owned American ships operating direct from either coast through the canal to such foreign ports. Privately owned vessels of the United States now engaged in such trade would therefore be subjected by this section as it now reads not only to the competition by the joint rail-water route but the extended competition by ships—even foreign ships—which this provision of the law would authorize the railroads to own and operate in competition with them through the Panama Canal or elsewhere except in the few trades. We therefore feel that this section should either be killed entirely or so restricted that railroads could not own vessels in trades competitive with the railroads.

This organization has obtained an opinion from all of the steamship operators at this port on the sections to which objection is made in the resolution. The maritime interests here are unanimous in declaring that in their opinion these sections should be eliminated from the ship subsidy bill and that any attempt to make additional amendments along the same lines should be opposed by those who favor the upbuilding of an American merchant marine with Government aid.

We ask you to give the resolution and the reasons that inspired its adoption your most careful consideration, and trust your study of the sections to which your attention is called will convince you they are dangerous to the main object of the bill and should be stricken from it.

Yours very truly,

MOBILE CHAMBER OF COMMERCE,  
P. A. FENIMORE, Secretary.

Mr. EDMONDS. Mr. Chairman, when this paragraph came to us for consideration I wrote to Attorney General Daugherty and received a letter from Assistant Attorney General Goff in which he stated that any railroad company that wanted to own ships in the foreign trade could do so; there was nothing in the law to prevent them. A ship that goes through the Panama Canal between the Atlantic and Pacific will not come under this section. It was really placed in with the idea that trade between the ports of the United States and ports of the Philippine Islands, should the Philippine Islands come under the coastwise law, would be left open to the ships which were receiving compensation. The reason for that is, of course, the Philippine Islands are several thousand miles away from the coast of this country, and we are under the necessity of giving sufficient compensation. I can not see any particular objection to its passing, and I am sure it does not do any damage to traffic through the Panama Canal, though gentlemen seem to fear that we are coming into competition with the coastwise trade.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the vote recurs on the motion of the gentleman from Texas to strike out the section.

The question was taken, and the Chair announced the yeas appeared to have it.

Mr. BRIGGS. Division, Mr. Chairman.

The committee again divided; and there were—yeas 20, noes 60.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### AGREEMENTS BETWEEN CARRIERS AFFECTING WATER TRANSPORTATION.

SEC. 605. Section 15 of the shipping act, 1916, is amended to read as follows:

"SEC. 15. (a) That every common carrier by water, or other person subject to this act, shall file immediately with the board a true copy, or, if oral, a true and complete memorandum, of every agreement with another such carrier or other person subject to this act, or modification or cancellation thereof, to which it may be a party or conform in whole or in part, fixing or regulating transportation rates or fares; giving or receiving special rates, accommodations, or other special privileges or advantages; controlling, regulating, preventing, or destroy-



ing competition; pooling or apportioning earnings, losses, or traffic; allotting ports or restricting or otherwise regulating the number and character of sailings between ports; limiting or regulating in any way the volume or character of freight or passenger traffic to be carried; providing warehousing, docking, or other terminal facilities; providing that the one carrier shall act in any manner as agent or representative of the other carrier; or in any manner providing for an exclusive, preferential, or cooperative working arrangement.

"(b) Every common carrier by water shall file immediately with the board a true copy, or, if oral, a true and complete memorandum, of every agreement with a common carrier by railroad subject to the provisions of the interstate commerce act, as amended, or modification or cancellation thereof, to which it may be a party or conform in whole or in part, relating to the interchange of freight or passengers, or the making of joint or through rates, or providing warehousing, docking, or other terminal facilities, or providing that the one carrier shall act in any manner as agent or representative of the other carrier, or in any manner providing for a cooperative working arrangement between the two carriers. In all such cases the common carrier by railroad shall also have a like duty. The provisions of this subdivision shall apply only to agreements relating to passengers or property transported or to be transported to or from a foreign country or the Philippine Islands from or to a port or other place in the United States.

"(c) The term 'agreement' as used in this section includes understandings, conferences, and other arrangements.

"(d) The board may by order disapprove, cancel, or modify any agreement, or any modification or cancellation thereof, whether or not previously approved by it, that it finds to be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States, or to be in violation of law, or to be otherwise detrimental to the interest and welfare of the United States, and shall approve all other agreements, modifications, or cancellations.

"(e) Agreements existing at the time of the enactment of the merchant marine act, 1922, shall be lawful until disapproved by the board. It shall be unlawful to carry out any agreement or any portion thereof, disapproved by the board.

"(f) All agreements, modifications, or cancellations, made after the enactment of the merchant marine act, 1922, shall be lawful only when and as long as approved by the board, and before approval or after disapproval it shall be unlawful to carry out in whole or in part, directly or indirectly, any such agreement, modification, or cancellation.

"(g) Every agreement, modification, or cancellation, lawful under this section, shall be excepted from the provisions of the act entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' approved July 2, 1890, and amendments thereof and acts supplementary thereto, and the provisions of section 73 to 77, both inclusive, of the act entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' approved August 27, 1894, and amendments thereof and acts supplementary thereto.

"(h) Whoever violates any provision of this section shall be liable to a penalty of \$1,000 for each day such violation continues, to be recovered by the United States in a civil action."

Mr. HARDY of Texas. Mr. Chairman, I think the minority have only about a half dozen additional amendments to offer, and I understand the purpose of the committee is to meet at 11 o'clock to-morrow, and I think we might adjourn now and get through certainly in an hour or in a short while in the morning.

Mr. MONDELL. If the gentleman will allow me, it was thought that we would read down to the bottom of page 56, miscellaneous provisions.

Mr. HARDY of Texas. I think we can get through in an hour's time to-morrow.

Mr. MONDELL. Has the gentleman anything to offer to this section?

Mr. DAVIS of Tennessee. Yes.

Mr. MONDELL. More than one?

Mr. HARDY of Texas. We have gotten down to Title VI.

Mr. DAVIS of Tennessee. I have one amendment to the section just read.

Mr. MONDELL. We will give the gentleman time to discuss that, but I would like to get down to Title VII.

Mr. HARDY of Texas. Then we will meet at 12 o'clock to-morrow?

Mr. MONDELL. I think we might meet at 11.

Mr. HARDY of Texas. I have no objection.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 53, line 15, strike out subsection (g).

Mr. DAVIS of Tennessee. Now, gentlemen, the subsection which I propose to strike out is another instance where the general law is changed, and this is a remarkable instance of it, because this section exempts ship lines and railroads from the operations of the antitrust law. Now, listen to a reading of the provision I propose to strike out:

"(g) Every agreement, modification, or cancellation, lawful under this section, shall be excepted from the provisions of the act entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' approved July 2, 1890, and amendments thereof and acts supplementary thereto, and the provisions of sections 73 to 77, both inclusive, of the act entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,' approved August 27, 1894, and amendments thereof and acts supplementary thereto.

Now, why should these railroads and why should these ship lines be excepted from the provisions of the antitrust laws?

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. Yes.

Mr. EDMONDS. The original shipping act of 1916 was drawn up by gentlemen on that side of the House, and this section was in there.

Mr. DAVIS of Tennessee. Well, why are you wanting to enact it here, then?

Mr. EDMONDS. Why do you not ask the gentleman who then prepared it?

Mr. DAVIS of Tennessee. I was not here then, and you can not charge me with the responsibility. Whether it was the law or not, it ought not to be reenacted.

Mr. EDMONDS. I was here, and I am perfectly willing to accept the responsibility, so far as that is concerned.

Mr. DAVIS of Tennessee. I am not discussing the question of who are responsible for it. I am discussing the merits of the proposition, and I am against it, no matter whether everybody on both sides favor it, because I do not think there is any occasion for such a provision at this time exempting ship lines and connecting railroads from the operation of the antitrust laws. [Applause.]

Mr. SEARS. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. HILL. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Virginia moves to strike out the last word.

Mr. MOORE of Virginia. I do that simply for the purpose of asking the gentleman from Pennsylvania a question. I would like to ask the gentleman to look at subsection (d) on page 52. It refers to quite an important matter. It gives authority to the Shipping Board to do certain things that may involve very important questions without providing at all for any hearings in advance. Is that not very unusual and extraordinary, in analogy, for instance, to proceedings before the Interstate Commerce Commission?

Mr. EDMONDS. I do not understand what the gentleman is getting at.

Mr. MOORE of Virginia. Subsection (d), on page 52, specifies certain powers may be exercised. It appears that those powers may be exercised summarily and without any advance hearing. It seems to me there ought to be some provision enabling parties to be heard.

Mr. EDMONDS. I think that there is a section that arranges for a hearing, or else the act of 1916 does. I think it applies to this.

Mr. DAVIS of Tennessee. I doubt if the gentleman will find it so.

Mr. EDMONDS. We were very careful in drawing the act of 1916. It was the original act constituting the Shipping Board, and the matters of hearings and appeals were all attended to in that act in another section.

The CHAIRMAN. The pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

#### JOINT OR PROPORTIONAL RATES.

SEC. 607. Section 28 of the merchant marine act 1920 is amended to read as follows:

"SEC. 28. (a) That no common carrier shall charge, collect, or receive for transportation subject to the interstate commerce act as amended of passengers or property under any joint rate, fare, or charge, or under any export, import, or other proportional rate, fare, or charge which is based in whole or in part on the fact that the passengers or property affected thereby are to be transported to or have been transported from any port in a possession or dependency of the United States or in a foreign country by a carrier by water in foreign commerce any lower rate, fare, or charge than that charged, collected, or received by it for the transportation of passengers or of a like kind of property for the same distance, in the same direction, and over the same route in connection with commerce wholly within the United States unless the vessel so transporting such passengers or property is, or unless it was at the time of such transportation by water, documented under the laws of the United States.

"(b) Whenever the board is of the opinion, however, that adequate shipping facilities to or from any port in a possession or dependency of the United States or a foreign country are not afforded by vessels so



documented it shall certify this fact to the Interstate Commerce Commission, and the commission shall by order suspend temporarily the operation of the provisions of this section with respect to the rates, fares, and charges for the transportation by rail of passengers and property transported from or to be transported to such ports.

"(c) Such suspension of operation of the provisions of this section shall be terminated upon 30 days' notice given in accordance with the requirements of section 6 of the interstate commerce act as amended by order of the commission whenever the board is of the opinion that adequate shipping facilities by such vessels to or from such ports are afforded and so certifies to the commission.

"(d) Whenever the board and the commission are both of opinion and certify that putting into effect or keeping in effect the provisions of this section will result in unjust discrimination between ports of the United States on commerce accustomed to move through such ports or in materially changing the channels of transportation within the United States or in unduly congesting one or more of the ports of the United States, the commission shall by order suspend the operation of said provisions until such time as it and the board reach a contrary conclusion in the premises, whereupon such suspension shall by order be terminated by the commission upon 30 days' notice as hereinbefore provided for the termination of other suspensions."

Mr. BRIGGS. Mr. Chairman, I want to offer an amendment correcting an error there.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BRIGGS: Page 56, line 11, strike out the word "on" and insert the word "or."

Mr. EDMONDS. Mr. Chairman, I accept that amendment.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. McDUFFIE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. MOORE of Virginia. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Virginia moves to strike out the last word.

Mr. MOORE of Virginia. I will ask the attention of the gentleman from Pennsylvania to subsection (d), on page 56. Suppose that the Shipping Board and the Interstate Commerce Commission disagree as to the situation their inquiry relates to in any given case. Who is to reconcile the disagreement?

Mr. EDMONDS. They will have to agree before they can operate.

Mr. MOORE of Virginia. Then that puts us in this position: The Interstate Commerce or the Shipping Board may be of opinion that there is a discrimination affecting some locality or affecting some business interest; the other body may take the negative view. The two bodies being in disagreement, there is no provision made at all for getting them together.

Mr. EDMONDS. We presume that they will agree.

Mr. MOORE of Virginia. But you assume that they may not agree by drawing the provision as it stands. You say that no action shall be taken unless they agree. If they do not agree, then no action can be taken.

Mr. EDMONDS. That is true.

Mr. MOORE of Virginia. I suggest to the gentleman that he try to find some way of relieving that provision of the obvious difficulty that it creates.

Mr. EDMONDS. It does not become effective. What you desire to accomplish is not accomplished because they do not agree.

Mr. MOORE of Virginia. But still there may be a discrimination in fact. If one of those bodies finds that there is some very gross discrimination, the other body may say no; and there is no possibility at all of the matter being further dealt with.

Mr. EDMONDS. Until they agree, that is true.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

#### EXTENSION OF REMARKS.

Mr. FESS. Mr. Chairman, I ask unanimous consent to extend my remarks on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YATES. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOX. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The extensions of remarks referred to are here printed in full as follows:

Mr. FESS. Mr. Speaker, we have now reached the place of decision on whether our Nation will take the necessary steps to become an American merchant marine power or whether we will lapse back to what I regard as an indefensible position which we held prior to the World War to depend upon foreign nations to carry our overseas commerce.

The first decision is whether we shall scrap our war-built ships, sell them to foreign countries, or, on the other hand, remain on the sea. If we decide to abandon the sea, that ends the discussion. If we decide, as I think we should, to remain on the sea, then the choice, and the only choice, left us is to continue Government ownership and operation as we now are suffering or adopt the policy of Government aid as proposed by this bill. If there is any other method, let the opponents of this measure present it.

For over a half century we have witnessed the most wonderful industrial, financial, and commercial development of all history under the direction of American managerial ability. If the way were open to the unaided operation of an American merchant marine under our flag without surrendering our standards of labor, is it conceivable that our business acumen would not have discovered and utilized it? The failure of our country to enter and hold this field of activity in the light of our history and under our navigation laws is the one outstanding error which should have long ago been corrected and which we now propose to correct by this measure.

Mr. Speaker, the development of the American Government and its institutions is the greatest event in the history of modern civilization, easily the greatest contribution to the history of political science. The progress of the Nation during its national existence has no parallel. Its normal growth and its present rank is the most outstanding event of modern times.

This rank does not consist of extent of territory, numbers of people, or merely natural resources. There are other countries vastly greater in territory, more populous, and richer in fertility of soil.

Its rank is due to the character of her people, her system of government, and her institutions developed under that government. Her greatness, like that of any other great country, is not a commodity value and can not be estimated by material standards alone. Even if measured by that standard, she would stand first in all the world. She is first in agriculture, transportation, manufacturing, mining, fiscal ability, managerial ability, and skilled labor. She produces 20 per cent of the world's gold, 25 per cent of the world's wheat, 40 per cent of the world's iron and steel, 40 per cent of the world's lead, 40 per cent of the world's silver, 50 per cent of the world's zinc, 52 per cent of the world's coal, 60 per cent of the world's copper, 60 per cent of the world's cotton, 70 per cent of the world's oil, 75 per cent of the world's corn. We operate 40 per cent of the world's railroads, refine 80 per cent of the world's copper, and manufacture 85 per cent of the world's automobiles.

The business agencies of the country have invaded every field open to her save the merchant marine. Up to the Civil War she occupied that field, but since that period she has gradually neglected it, and has left it to other countries, especially to Great Britain, the greatest marine power of all history.

No evolution is of greater interest than that which brought Britain to her present position on the sea. When America was discovered Portugal was the mistress of the sea and carried the world's commerce. In due time she gave way to Spain, which in turn became not only the world's greatest maritime power but likewise the world's greatest colonizer.

After the passing of the Spanish armada the sun of Spain's supremacy began to set. For a time the control of the sea went to the Netherlands and later to France. In 1688 England's contest for the sea began. It continued 127 years, during which period 12 wars were waged between France and England, and 64 years of actual fighting were endured, when in 1815 at Waterloo, Napoleon's star set, and France surrendered the sea to her great rival.

During the past 100 years Britain has given heed to the development of the world's greatest merchant marine in the creation of the most wonderful maritime organization of history. This followed as a natural consequence of a colonization power whose possessions are in every quarter of the globe, and whose commercial interests are coterminous with the continents. Her ports are found wherever commerce is carried on, and her language is spoken wherever her white sails of commerce appear.

The essential elements of a complete merchant marine are merchant ships, shipyards, open ports, coaling stations, cables, and naval equipment, both matériel and personnel. To these were added a naval equipment double the next largest. Besides these integral elements of a merchant marine there must also be an organization of industry, trade, and ocean shipping which in turn requires an organization of merchandising, international banking, marine insurance, and ship brokerage. The immediate



necessity requires construction, maintenance, and operation, all of which demands a distinctive policy of ownership as well as operation.

Year by year this sea power continued to perfect her position until she could easily command the overseas trade of the world, which marked her chief activity, not less than 80 per cent of it. On the other hand the United States devoted her energies to domestic development, to her power of production and consumption. Her home market was paramount, and the overseas trade was secondary, and consequently our merchant marine not so important. In due time our productiveness outran our consumption and our overseas trade, both imports and exports, became important. To-day that trade amounts to over \$7,000,000,000, which has shown a very large and steady growth. If it continues to increase in the future as it has in the past, and it doubtless will, our overseas trade is bound to become an increasingly important feature of our country's prosperity, and such as to emphasize the necessity and importance of our carrying trade.

The country will not be satisfied to pursue the policy to leave the delivery of our overseas trade to other countries; not now, especially since we have our war-time built ships of nearly 10,000,000 tonnage. Even before we had built the ships under the stress of war, it had become a well-defined American conviction that both our national defense and commercial necessities demanded an American merchant marine operated under the American flag and by American citizens.

That conviction produced in the Spanish-American War and increased by later incidents was many times deepened by the experience in the World War, too recent and too apparent to call for comment. Our national defense leaves no doubt about our national duty toward a merchant marine.

Then, in addition to this broad general view, the results of the arms conference, which fix the ratio of naval armament, compel notice to the necessity of merchantmen which in war time could and would be converted into auxiliaries. If fighting power in equipment is equal between nations, and one of the powers is vastly superior to the other in merchantmen, equal ratio of naval power is a nullity. The defense necessity leaves us little choice of whether we should be on the sea.

Then a growing country like this with its commerce increasing by leaps and bounds should not languish by its refusal or neglect to embrace its duty to utilize its energies in the direction of the sea. The policy of employing its competitors to carry or deliver its goods is unwise, unnecessary, and short-sighted, especially since we have the ships, the capital, and labor, and all necessary factors to operate a sound business enterprise.

An American merchant marine sufficient to carry our overseas trade will invest millions of American capital in the employment of hundreds of thousands of American laborers in American shipyards for constructive and repair work and on the American-built ships that will float the seven seas. These in turn will make necessary the employment of additional American capital and labor in our mining and manufacturing activities, and in turn will increase the demand for the product of the American farm in the degree that such increase will add to the consumptive power at home and multiply the facilities for getting surplus product to the market abroad. Every step that will increase the employment of our labor will increase the buying power to the country, and to that degree will add to the demand of the product of the American farm. Herein lie the direct benefits of an American merchant marine to the American farmer, no matter in what portion of the country he lives. What he needs after he has raised his crop is to find a market for what he has to sell. This market will consist of the buying power of those not engaged in farming.

An American merchant marine is not alone of value to the people engaged in it. It serves a good purpose to every industry that supplies the necessities for its operation, the farmer no less than the manufacturer.

Whatever might have been our policy in the past of going on the sea, that is not now the question. We are already on the sea. As has been stated here again and again, we have 1,442 steel ships, of which only 338 are actually in operation, leaving 1,104 tied up at the wharves at considerable cost and actually deteriorating.

The construction of these ships by the Government at war prices to meet an emergency left them on our hands when the war ended. Their cost was so enormous that great loss is inevitable, no matter what is done with them. The best possible thing to do with them, it seemed, rather than to junk them or to sacrifice them, was to operate them by the Government in an effort to build up the needed American merchant marine. This policy was an experiment, an experiment that showed a loss of \$200,000,000 per year, an experiment that approaches a scandal of management. The Shipping Board under the present

management undertook to reduce this loss. After a year's most tireless efforts the loss has been reduced to about \$50,000,000 per year, with less than a third of the fleet in use, a loss which does not include repairs or depreciation, and which means that the fleet on such basis of operation will in time be a total loss. This experience shows that there is no better settled fact than that Government operation is not only wickedly wasteful but inefficient in service and woefully deficient in all the elements of business success. Unlike irresponsible political operation, the private owner who bears the loss of inefficient service feels the responsibility of meeting the competition of his rivals in avoiding the losses incident to empty return bottoms by seeking return cargoes. While the responsible private owner is spurred to economize, the Government bears the loss out of the Treasury, as no individual will be made to feel it, since it is paid through general taxation. The fallacy that if the Government pays it no one is hurt is unfortunately widely accepted.

To continue Government operation involves a policy of waste, of unnecessary losses, which would involve the worst sort of subsidy, in that it would be placing burdens upon the Treasury without the return of compensatory results due to effective and efficient service, which can be assured under private responsibility.

Commercially Government operation is a failure. American business abroad as at home depends upon the talent of organization of industry and trade rather than political activity. As business enterprise actuated by the sense of profit and success is primarily individual and private, not governmental, so developing trade abroad is private rather than political. The function of government is to open the way for enterprise and then permit business ability to develop the trade and industry, both at home and abroad, including the merchant marine. Political or governmental ownership and operation of a merchant marine is not to be thought of if it can be avoided.

No further comment against Government operation is needed than the sheer difficulty of discontinuing any Government agency when once created, even for war purposes. Our struggle to dismantle the war machine is comment sufficient upon this fact. It is admitted on all hands that there is a strong paternalistic, socialistic, Government-ownership propaganda now at work among us. The sentiment is here in Congress. The tremendous effort to prevent the return of the railroads to their owners is a mere incident. The argument heard in this debate against subsidy is Government-ownership sentiment clothed in the prejudice against successful business operation. That is a peculiar cycle of thinking which causes certain types of mind to see in every outstanding business success a crime against the people. The achievement of men and women, once the shining examples to whom we called the attention of our youth, under this new cult have now become an object of derision, a level to be shunned rather than to be reached. It is this prejudice that feeds Government-ownership sentiment. I am stressing this phase of this contest because of what it involves.

We are facing a condition which admits of but two alternatives—conceding the unwisdom of abandoning the sea either by scrapping our ships or selling them to foreign countries. The alternatives are either continued Government ownership and operation or some plan as herein proposed in this bill.

To me the first alternative is not to be looked upon with any favor whatever. The second alternative is not only the wiser course but the only one open to us; it is the one successful solution as I see it of a very important problem. It is Government aid to maintain an American merchant marine. Call it a subsidy if you will. That is nothing new. We have given Government aid to the building of the great trunk lines connecting the East with the West. While it was attacked in the same terms we now hear employed in this debate, few, if any, of our citizens will to-day question the wisdom of that policy for developing that undeveloped country. This was a direct subsidy as much as this bill proposes.

We have given Government aid in the hundreds of millions to improvements in rivers and harbors and in the construction of highways. We are in the midst of such policy of internal improvements. It may be of importance to remember that the Democratic Party consistently opposed the platform of internal improvements prior to the Civil War, making its opposition a cardinal principle of action. Since the war Government aid has become a cardinal virtue of the same party and is now sought for all sorts of local interests.

The Republican Party has ever stood for a Government policy of building up and maintaining American industry through a protective tariff. We have protected our labor against the open competition of a cheaper scale of wage to maintain American standards of living. The monuments of this policy are all about us in the awakened industry of the country, where we rank first in all that can be produced by labor. But not so on the



high seas. Our law so effective within our national boundaries is totally impotent on the high seas, open to our competitors as to ourselves. We can say to all countries upon what conditions they may buy and sell within our borders, but not so on the open seas. There their authority is equal to our own. American labor can be secure in its wage scale within the domain of American law, but not beyond that domain. American labor can not be driven from employment by open foreign competition where our law forbids such open competition. But it can and is driven from employment on the open sea where our law does not or can not extend its protection. This is why we maintain our standards within the country and keep our industry going. It is also the reason why we can maintain our coastwise shipping, because we forbid the foreign vessel entering that service.

Did we open that service to the foreign competitor as we are compelled to do on the high seas, we would be driven from the coastwise trade just as we are now driven from the overseas trade or left to the alternative of reducing our labor to the scale of that of our competitor, which is against a sound American policy. The present situation of our merchant marine is a comment upon that fact.

As the purchaser will buy in the cheapest market, so will the shipper ship in the cheapest bottom. As our higher standards and higher costs can not compete with the lower standards and costs of our foreign competitors in manufacturing and agricultural pursuits, neither can American standards of labor compete on the open sea with foreign standards.

Capital announces that it can compete on the sea if our Nation will repeal its navigation restrictive laws designed to maintain American standards on the sea. But our country will decline to abandon our standards. No sensible person will hold that American genius, business acumen, if allowed the freedom to do so unhindered by legal regulations in the employment of labor, could not go on the sea and succeed. If success under the present situation were possible, there is no doubt that we would have had a great American merchant marine. But the higher level of costs prevailing in America made it necessary for us to either reduce our levels to that of our foreign competitors or leave the sea as a merchant-marine power of those competitors. The latter course was inevitable so far as overseas trade went.

Mr. Speaker, during the debate on the tariff we had presented the relative scale of wages between our country and foreign countries. It is not necessary for me now to append a general comparison supplied at that time. The facts are well known to the public, but I will now present comparisons to show the wages paid in the shipping business, both in construction and operation. There have been so many misstatements by the opposition to this bill, tending to show that our scale of wages is not higher than our competitors, that I present these figures comparing our scale with that of England, the highest wage country on the sea outside of our own. I will also add some tables showing the wages of other countries. A glance will show why American shipping is driven from the sea in open competition with the world of cheaper operation:

JULY 26, 1922.

## AMERICAN SHIP WAGES.

Steamship "Independence Hall," cargo ship, of Philadelphia (Shipping Board), 5,950 gross tons, 3,976 net tons, oil burner.

## EUROPEAN TRADE.

	Pay per month.
1 first mate.....	\$165.00
1 second mate.....	145.00
1 third mate.....	120.00
1 radio operator.....	90.00
1 boatswain.....	65.00
6 able seamen, at \$55.....	330.00
2 ordinary seamen, at \$40.....	80.00
1 chief engineer.....	240.00
1 first assistant engineer.....	165.00
1 second assistant engineer.....	145.00
1 third assistant engineer.....	130.00
3 oilers, at \$65.....	195.00
3 water tenders, at \$65.....	195.00
3 firemen, at \$57.50.....	172.50
2 wipers, at \$50.....	100.00
1 steward.....	105.00
1 cook.....	90.00
1 baker.....	70.00
3 mess boys, at \$35.....	105.00
34 Total pay per month.....	2,707.50

JULY 28, 1922.

## AMERICAN SHIP WAGES.

Steamship "Luzpalle," cargo ship, of Philadelphia (Shipping Board), 4,929 gross tons, 3,951 net tons, oil burner.

## EUROPEAN TRADE.

	Pay per month.
1 First mate.....	\$165.00
1 Second mate.....	145.00
1 Third mate.....	130.00

	Pay per month.
1 Radio operator.....	\$90.00
1 Boatswain.....	70.00
5 Able seamen, at \$55.....	275.00
2 Ordinary seamen, at \$40.....	80.00
1 Chief engineer.....	240.00
1 First assistant engineer.....	165.00
1 Second assistant engineer.....	145.00
1 Third assistant engineer.....	130.00
3 Oilers, at \$65.....	195.00
2 Water tenders, at \$65.....	130.00
3 Firemen, at \$57.50.....	172.50
2 Wipers, at \$50.....	100.00
1 Steward.....	105.00
1 Cook.....	90.00
1 Second cook and baker.....	70.00
3 Mess boys, at \$35.....	105.00
32 Total pay per month.....	2,602.50

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, September 11, 1922.

## BRITISH SHIP WAGES.

Steamship Matoppe, cargo ship, of London (Ellerman & Bucknall Steamship Co. (Ltd.)), 5,280 gross tons, 3,420 net tons, coal burner.

## SOUTH AFRICAN TRADE.

	British money per month.	American money per month.
1 First mate.....	£ 24 10	\$109.27
1 Second mate.....	21 0	93.66
1 Third mate.....	17 10	78.05
1 Radio operator.....	0 1	.22
1 Second radio operator.....	0 1	.22
1 Carpenter.....	14 10	64.67
1 Boatswain.....	13 10	60.21
7 Able seamen, at £12 6s.....	86 2	@\$54.84=383.88
1 Able seaman.....	12 0	53.52
1 do.....	10 4	45.48
2 Able seamen, at £10.....	20 0	@44.60=89.20
1 Ordinary seaman.....	5 10	24.53
1 Chief engineer.....	35 10	158.33
1 First assistant engineer.....	26 10	118.19
1 Second assistant engineer.....	21 10	95.89
1 Third assistant engineer.....	17 10	78.05
1 Fourth assistant engineer.....	16 10	73.59
1 Chief steward.....	16 10	73.59
25 Total.....	358 18	1,600.55
LASCARS—DECK DEPARTMENT		
4 Quartermasters (seacanny), at 55 rupees.....	220	@15.95=353.80
1 Serang (boatswain).....	60	17.40
1 Tindal (second boatswain).....	37	10.73
1 Cassab.....	30	8.70
4 Sailors, at 25 rupees.....	100	@7.25=72.50
4 Sailors, at 22 rupees.....	88	@6.38=56.14
4 Sailors, at 21 rupees.....	84	@6.09=50.76
1 Sailor.....	20	5.80
1 Bhandary.....	25	7.25
1 Tapass.....	22	6.38
22 Total.....	685	198.94
47 Carried forward (American money).....		1,799.49

1 Balance paid by Marconi Co.

Steamship "Swazi," cargo ship, of London (Ellerman & Bucknall Steamship Co. (Ltd.)), 4,940 gross tons, 3,174 net tons, coal burner.

## EAST INDIA TRADE.

	British money per month.	American money per month.
1 First mate.....	£ 20 10	\$91.23
1 Second mate.....	16 10	73.43
1 Third mate.....	13 0	57.85
1 Radio operators, at £1.....	2 0	@\$4.45=8.90
1 Chief engineer.....	28 10	126.83
1 Second engineer.....	22 10	100.13
1 Third engineer.....	16 10	73.43
1 Fourth engineer.....	13 0	57.85
1 Fifth engineer.....	12 0	53.40
1 Steward.....	14 10	64.53
11 Total.....	150 0	707.58
LASCARS—DECK DEPARTMENT.		
1 Fourth mate (serang).....	75	22.50
1 Boatswain (tindal).....	46	13.80
1 Second boatswain.....	37	11.10
1 Winchman.....	36	10.80
1 Carpenter.....	120	36.00
4 Quartermasters (seacanny), at 60 rupees.....	276	@20.70=57.20
4 Seamen, at 28 rupees.....	124	@9.30=115.32
4 Seamen, at 24 rupees.....	112	@8.40=94.08
2 Seamen, at 25 rupees.....	50	@7.50=37.50

1 Balance paid by Marconi Company.

*Steamship "Swazi," cargo ship, of London, etc.—Continued.*  
EAST INDIA TRADE—continued.

	British money per month.	American money per month.
<b>LASCARS—DECK DEPARTMENT—continued.</b>		
3 Seamen, at 22 rupees.....	66	@\$6.60=\$19.80
1 Storekeeper.....	36	10.80
23 Total.....	978	293.40
<b>LASCARS—ENGINE DEPARTMENT.</b>		
1 Serang.....	75	22.50
1 Tindal.....	44	13.20
1 Second tindal.....	37	11.10
2 Donkeymen, at 35 rupees.....	70	@10.50=21.00
3 Oilers, at 32 rupees.....	96	@9.60=28.80
13 Firemen, at 30 rupees.....	390	@9.00=117.00
15 Trimmers, at 24 rupees.....	360	@7.20=108.00
1 Casab.....	35	10.50
37 Total.....	1,107	332.10
71 Carried forward (American money).....		1,333.08
<b>LASCARS—ENGINE DEPARTMENT.</b>		
1 Serang.....	60	17.40
1 Tindal.....	35	10.15
1 Second tindal.....	30	8.70
2 Donkeymen, at 28 rupees.....	56	@8.12=16.24
3 Greasers, at 26 rupees.....	78	@7.54=22.62
12 Firemen, at 23 rupees.....	276	@6.67=80.04
9 Coal passers, at 18 rupees.....	162	@5.22=46.98
1 Bhandary.....	25	7.25
30 Total.....	722	209.38
<b>LASCARS—STEWARD'S DEPARTMENT.</b>		
1 Cook.....	75	21.75
1 Second cook.....	40	11.60
4 Waiters, at 35 rupees.....	140	@10.15=40.60
1 Pantryman.....	35	10.15
1 Mess boy.....	34	9.86
1 Cassab.....	28	8.12
9 Total.....	352	102.08
86 Total pay per month.....		2,110.95
Pound sterling=\$4.46. Rupee=29 cents.		
<b>LASCARS—STEWARD'S DEPARTMENT.</b>		
1 Steward.....	90	27.00
1 Chief cook.....	85	25.50
1 Second cook.....	45	13.50
1 Pantryman.....	45	13.50
1 Messroom boy.....	35	10.50
3 Galleyman, at 30 rupees.....	90	@9=27.00
1 Messman.....	35	10.50
1 Tapass.....	29	8.70
10 Total.....	454	136.20
81 Total pay for month.....		1,469.28

Pound sterling=\$4.45.  
Rupee=30 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 5, 1922.

AMERICAN SHIP WAGES.

*Steamship "Bantu," cargo ship, of New York, 4,299 gross tons, 2,635 net tons, coal burner.*

SOUTH AFRICAN TRADE.

	Pay per month.
1 first mate.....	\$165
1 second mate.....	140
1 third mate.....	125
1 junior third mate.....	75
1 radio operator.....	90
1 carpenter.....	70
1 boatswain.....	65
6 able seamen, at \$50.....	300
2 ordinary seamen, at \$47.50.....	95
1 chief engineer.....	285
1 first assistant engineer.....	165
1 second assistant engineer.....	140
1 third assistant engineer.....	125
1 junior engineer.....	70
1 storekeeper.....	55
3 deck engineers and oilers, at \$55.....	165
12 firemen and coal passers, at \$50.....	600
1 steward.....	105
1 cook.....	90
1 second cook.....	70
3 messmen, at \$40.....	120
4 mess boys, at \$30.....	120
46 Total pay per month.....	3,235

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 10, 1922.

BRITISH SHIP WAGES.

*Steamship "Bonny," cargo liner, of Liverpool, 4,229 gross tons, 2,635 net tons, coal burner.*

[In trade between New York and West Coast of Africa.]

	British pay per month.	American pay per month.
1 First mate.....	£ 23 10	\$104.58
1 Second mate.....	20 00	89.00
1 Third mate.....	17 10	77.88
1 Radio operator.....		
2 Radio watchmen.....		
1 Boatswain.....	13 0	57.85
1 Carpenter.....	14 10	64.53
8 Able seamen, at £12.....	96 0	@53.40=427.20
2 Ordinary seamen, at £10.....	20 0	@44.50=89.00
1 Chief engineer.....	26 10	117.93
1 First assistant engineer.....	23 10	101.58
1 Second assistant engineer.....	22 10	100.13
1 Third assistant engineer.....	20 10	91.23
1 Fireman.....	13 0	57.85
6 Firemen, at £12 10s.....	75 0	@55.63=333.78
3 Oilers, at £13.....	39 0	@57.85=173.55
5 Trimmers, at £12.....	60 0	@53.40=267.00
1 Steward.....	16 10	73.43
1 Second steward.....	11 5	50.06
1 Cook.....	15 10	68.98
1 Second cook.....	11 10	51.18
2 Messmen, at £7 10s.....	15 0	@33.38=66.76
43 Total wages per month.....	554 5	2,466.50

These are base wages and do not include advances for length of service—deck and engineer officers credited with superior rating. Members of ship's company injured or ill through causes connected with the service are carried at full pay until restored to duty. Insurance about 3 per cent above ordinary, on account of tropical service, paid by company. Present crew signed on for two years at rate current prior to recent reduction and receiving that pay. Articles have 8 months yet to run.  
Pound sterling=\$4.45.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 12, 1922.

*Comparison of pay rolls, American and Belgian cargo steamers, North Atlantic trade.*

AMERICAN STEAMER "BIRD CITY."

(Shipping Board, 5,562 gross tons, 3,434 net tons, oil burner.)

	Pay per month.
1 captain.....	\$270.00
1 first mate.....	165.00
1 second mate.....	145.00
1 third mate.....	130.00
1 radio operator.....	90.00
1 boatswain.....	65.00
6 able seamen, at \$55.....	330.00
2 ordinary seamen, at \$40.....	80.00
1 chief engineer.....	240.00
1 first assistant engineer.....	165.00
1 second assistant engineer.....	145.00
1 third assistant engineer.....	130.00
3 oilers, at \$65.....	195.00
3 water tenders, at \$65.....	195.00
3 firemen, at \$57.50.....	172.50
1 steward.....	105.00
1 cook.....	90.00
1 second cook.....	70.00
3 mess boys, at \$35.....	105.00
33 Total pay per month.....	2,887.50

BELGIAN STEAMER.

(5,228 gross tons, 3,227 net tons, coal burner.)

	Pay per month.
1 captain.....	\$109.56
1 first mate.....	63.70
1 second mate.....	58.24
1 third mate.....	50.96
1 radio operator (paid by Marconi Co.).....	38.70
1 boatswain.....	31.85
6 able seamen, at \$27.....	162.00
1 deck boy.....	11.00
1 chief engineer.....	87.36
1 first assistant engineer.....	58.24
1 second assistant engineer.....	50.96
1 third assistant engineer.....	50.96
1 deck engineer.....	31.81
2 oilers, at \$30.58.....	61.16
12 firemen (includes firemen, coal passers, and wipers, all at the same rate), at \$29.12.....	349.44
1 steward.....	43.68
2 second stewards, at \$29.12.....	58.24
1 cook.....	43.68
1 second cook.....	30.58
2 cadets.....	
39 Total pay per month.....	1,392.12

On basis of 12 Belgian francs equals \$1.  
The American steamer and the Belgian steamer both arrived at New York in foreign commerce August 12, 1922.  
It is to be observed that the American steamer, though an oil burner, and consequently carrying fewer men, has a wage scale more than twice the amount of the wage scale of the Belgian steamer.



AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 17, 1922.

Comparison of pay rolls, American and Belgian cargo ships, European trade.

AMERICAN STEAMER "EASTPORT."

(Shipping Board, 4,385 gross tons, 2,705 net tons, coal burner.)

	Pay per month.
1 captain	\$265.00
1 first mate	165.00
1 second mate	140.00
1 third mate	125.00
1 radio operator	90.00
1 boatswain	65.00
4 able seamen, at \$55	220.00
2 ordinary seamen, at \$40	80.00
1 chief engineer	230.00
1 first assistant engineer	160.00
1 second assistant engineer	140.00
1 third assistant engineer	125.00
3 oilers, at \$65	195.00
6 firemen, at \$57.50	345.00
4 coal passers, at \$50	200.00
1 steward and cook	105.00
1 second steward and cook	70.00
3 messboys, at \$35	105.00
33 Total pay per month	2,560.00

BELGIAN STEAMER.

(5,216 gross tons, 3,171 net tons, coal burner.)

	Pay per month.
1 captain	\$109.56
1 first mate	63.70
1 second mate	58.24
1 third mate	50.96
1 radio operator	38.70
1 boatswain	31.85
6 able seamen, at \$27	162.00
1 deck boy	11.00
1 chief engineer	87.36
1 first assistant engineer	58.24
1 second assistant engineer	50.96
1 third assistant engineer	50.96
1 deck engineer	31.81
2 oilers, at \$30.58	61.16
12 firemen (firemen include coal passers, etc., all receiving the same pay), at \$29.12	349.44
1 steward	43.68
2 second stewards, at \$29.12	58.24
1 cook	43.68
1 second cook	30.58
4 cadets	
41 Total pay for month	1,392.12

On basis of 12 Belgian francs equals \$1.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 12, 1922.

Comparison of pay rolls, American and Danish cargo steamers, North Atlantic trade.

AMERICAN STEAMER "CANANOVA."

(1,920 gross tons, 1,055 net tons, oil burner.)

	Pay per month.
1 first mate	\$140.00
1 second mate	125.00
1 third mate	105.00
1 radio operator	90.00
1 boatswain	55.00
5 able seamen, at \$47.50	237.50
1 chief engineer	260.00
1 first assistant engineer	140.00
1 second assistant engineer	125.00
1 third assistant engineer	105.00
3 oilers, at \$50	150.00
3 firemen, at \$50	150.00
1 steward-cook	100.00
1 second steward	65.00
2 messmen, at \$32.50	65.00
1 messboy	26.50
25 Total pay per month	1,939.00

DANISH STEAMER "BORGLUM."

(1,909 gross tons, 1,169 net tons, coal burner.)

	Pay per month.
1 first mate	\$155
1 second mate	115
1 third mate	80
1 radio operator	77
1 boatswain	50
1 carpenter	41
6 able seamen, at \$36	216
1 chief engineer	190
1 first assistant engineer	155
1 second assistant engineer	120
1 third assistant engineer	80
3 firemen, at \$37	111
2 coal passers, at \$37	74
1 steward	99
1 cook	50
2 messboys, at \$20	40
25 Total pay per month	1,653

On basis of 1 krone equals 20 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 12, 1922.

DANISH SHIP WAGES.

Steamship "Katonja," cargo ship, of Copenhagen, 2,624 gross tons, 1,663 net tons, coal burner.

NORTH ATLANTIC TRADE.

	Danish kroner per month.	American money per month.
1 First mate	725	\$145
1 Second mate	575	115
1 Radio operator	385	77
1 Boatswain	250	50
1 Carpenter	205	41
6 Able seamen, at 180 kroner	1,080	@36=216
1 Chief engineer	950	190
1 Second engineer	725	145
1 Third engineer	600	120
3 Firemen, at 185 kroner	555	@37=111
2 Coal passers, at 185 kroner	370	@37=74
1 Steward	495	99
1 Cook	250	50
2 Messboys, at 100 kroner	200	@20=40
23 Total pay per month	7,365	1,473

NOTE.—In addition to this pay every member of the crew is insured, in a sum proportionate to his wages, the owners paying the premiums.  
1 krone equals 20 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 14, 1922.

Comparison of pay rolls, American and Danish cargo steamers, North Atlantic and West Indian trade.

AMERICAN STEAMER "CATHERINE."

(2,130 gross tons, 1,289 net tons; coal burner.)

	Pay per month.
1 first mate	\$150
1 second mate	130
1 third mate	110
1 radio operator	90
1 carpenter	65
6 able seamen, at \$42	252
1 chief engineer	255
1 first assistant engineer	150
1 second assistant engineer	130
3 oilers, at \$55	165
6 firemen, at \$45	270
3 coal passers, at \$30	90
1 steward	105
1 cook	90
1 second cook	65
1 utility man	50
1 messman	35
1 mess boy	30
32 Total pay per month	2,232

DANISH STEAMER "BORGLUM."

(1,909 gross tons, 1,169 net tons; coal burner.)

	Pay per month.
1 first mate	\$155
1 second mate	115
1 third mate	80
1 radio operator	77
1 boatswain	50
1 carpenter	41
6 able seamen, at \$36	216
1 chief engineer	190
1 first assistant engineer	155
1 second assistant engineer	120
1 third assistant engineer	80
3 firemen, at \$37	111
2 coal passers, at \$37	74
1 steward	99
1 cook	50
2 mess boys, at \$20	40

25 Total pay per month 1,653

On basis of 1 krone equals 20 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 25, 1922.

SWEDISH SHIP WAGES.

Steamship "Karlstick," cargo ship, of Norrköping, 2,373 gross tons, 1,399 net tons, coal burner.

MEDITERRANEAN TRADE.

	Swedish kroner per month.	American money per month.
1 Captain	720	\$190.80
1 First mate	400	106.00
1 Second mate	330	87.45
1 Third mate	205	54.33
1 Radio operator		
1 Boatswain	195	51.63
1 Carpenter	195	51.63

1 Radio operator paid by State.

## SWEDISH SHIP WAGES—Continued.

Steamship "Karlsvick," cargo ship, of Noorkoping, etc.—Continued.

## MEDITERRANEAN TRADE—continued.

		Swedish kroner per month.	American money per month.
2	Able seamen, at 160 kroner.....	320	@\$42.40=\$54.80
1	Ordinary seaman.....	130	34.45
1	do.....	110	29.15
1	Boy.....	70	18.55
1	do.....	60	15.90
1	Chief engineer.....	480	127.20
1	First assistant engineer.....	295	78.18
1	Second assistant engineer.....	220	58.30
1	Donkeyman.....	185	49.03
1	Oilier.....	170	45.05
3	Firemen, at 160 kroner.....	480	@42.40=127.20
2	Coal passers, at 110 kroner.....	220	@29.15=58.30
1	Steward.....	280	74.20
1	Cook.....	195	51.68
1	Mess boy.....	30	7.95
26	Total pay per month.....	5,290	1,401.88

1 krone=26.5 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 25, 1922.

## SWEDISH SHIP WAGES.

Steamship "Tasmanic," cargo ship, of Gothenberg, 4,079 gross tons, 2,530 net tons, coal burner.

## NORTH AMERICAN AND SOUTH AMERICAN TRADE.

		Swedish kroner per month.	American money per month.
1	Captain.....	870	\$230.55
1	First mate.....	430	113.95
1	Second mate.....	330	87.45
1	Third mate.....	250	66.25
1	Radio operator <sup>1</sup> .....	185	49.03
1	Boatswain.....	185	49.03
1	Carpenter.....	185	49.03
4	Able seamen, at 160 kroner.....	640	@42.40=169.60
1	Ordinary seaman.....	120	31.80
1	do.....	110	29.15
2	Boys, at 70 kroner.....	140	@18.55=37.10
1	Chief engineer.....	580	153.70
1	First assistant engineer.....	345	91.43
1	Second assistant engineer.....	270	71.55
1	Junior engineer.....	210	55.65
2	Oilier, at 170 kroner.....	340	@44.05=90.10
2	Firemen, at 160 kroner.....	960	@42.40=254.40
3	Coal passers, at 110 kroner.....	330	@29.15=87.45
1	Steward.....	310	82.15
1	Cook.....	205	54.33
1	Second cook.....	125	33.13
1	Messboy.....	70	18.55
1	do.....	45	11.93
35	Total pay per month.....	7,050	1,868.28

<sup>1</sup> Radio operator paid by State.

1 krone=26.5 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
11 Broadway, New York, August 19, 1922.

## AMERICAN SHIP WAGES.

Steamship "Norlina," cargo ship, of New York, 4,596 gross tons, 2,840 net tons, oil burner.

## EUROPEAN TRADE.

EUROPEAN TRADE.		Pay per month.
1	first mate.....	\$135.00
1	second mate.....	115.00
1	third mate.....	95.00
1	radio operator.....	90.00
1	carpenter.....	55.00
1	boatswain.....	50.00
6	able seamen, at \$45.....	270.00
2	ordinary seamen, at \$40.....	80.00
1	chief engineer.....	185.00
1	first assistant engineer.....	135.00
1	second assistant engineer.....	115.00
1	third assistant engineer.....	95.00
3	oilers, at \$50.....	150.00
3	firemen, at \$47.50.....	142.50
2	wipers, at \$40.....	80.00
1	steward.....	95.00
1	cook.....	80.00
1	galley boy.....	45.00
8	messmen, at \$40.....	120.00
32	Total pay per month.....	2,132.50

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, September 2, 1922.

## BRITISH SHIP WAGES.

Steamship "Kazembe," cargo ship, of North Shields (Ellerman &amp; Bucknall Steamship Co. (Ltd.)), 4,676 gross tons, 2,938 net tons, coal burner.

## EAST INDIA TRADE.

	British money per month.	American money per month.
1 First mate.....	£ 21 10	\$95.89
1 Second mate.....	18 0	80.28
1 Third mate.....	14 10	64.67
1 Radio operator.....	1 0	4.46
1 Chief engineer.....	30 10	136.03
1 First assistant engineer.....	23 10	104.81
1 Second assistant engineer.....	18 0	80.23
1 Third assistant engineer.....	14 10	64.67
1 Fourth assistant engineer.....	13 10	60.21
1 Carpenter.....	13 0	57.98
1 Chief steward.....	15 0	66.90
1 Apprentices.....		
15	Total.....	183 0 816.18
LASCARS—DECK DEPARTMENT.		
4 Quartermasters (seacanny), at 55 rupees.....	220	@\$15.95=\$35.80
1 Boatswain (serang).....	60	17.40
1 First mate (tindal).....	37	10.73
1 Second mate (tindal).....	30	8.70
1 Cassab.....	30	8.70
1 Winchman.....	28	8.12
4 Seamen, at 25 rupees.....	100	@7.25=29.00
2 Seamen, at 23 rupees.....	46	@6.67=13.34
1 Seaman.....	22	6.38
3 Seamen, at 20 rupees.....	60	@5.80=17.40
2 Seamen, at 18 rupees.....	36	@5.22=10.44
1 Tapass (cleaner).....	22	6.38
22	Total.....	691 200.39
37	Carried forward (American money).....	1,016.57
LASCARS—ENGINE DEPARTMENT.		
1 Serang.....	60	17.40
1 First tindal.....	35	10.15
1 Second tindal.....	30	8.70
1 Third tindal.....	28	8.12
1 Cassab.....	28	8.12
3 Donkeymen and oilers, at 28 rupees.....	84	@8.12=24.36
12 Firemen, at 23 rupees.....	276	@6.67=80.04
6 Trimmers, at 18 rupees.....	108	@5.22=31.32
26	Total.....	649 188.21
Hongkong dollars per month.		
1 Fireman.....	25	13.50
1 Storekeeper.....	25	13.50
2	Total.....	50 27.00
LASCARS—STEWARDS' DEPARTMENT.		
1 Cook.....	75	21.75
1 Second cook.....	40	11.60
1 Pantryman.....	34	9.86
5 Boys, at 34 rupees.....	170	@9.86=49.30
8	Total.....	319 92.51
73	Total pay per month.....	1,324.29

<sup>1</sup> Balance paid by Marconi Co.<sup>2</sup> Stand wireless watches.

Pound sterling=\$4.46.

Rupee=29 cents.

Hongkong dollar=54 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 27, 1922.

## BRITISH SHIP WAGES.

Steamship "Rossia," cargo ship, of Liverpool, 4,576 gross tons, 2,879 net tons, coal burner.

	British money per month.	American money per month.
1 First mate.....	£ 22 10	\$100.13
1 Second mate.....	16 10	73.43
1 Third mate.....	13 0	57.85
1 Radio operator.....	1 0	4.45
1 Boatswain.....	11 10	51.18
1 Carpenter.....	12 10	55.63
6 Able seamen, at £10.....	60 0	@\$44.50=267.00

<sup>1</sup> Paid by Marconi Co.



BRITISH SHIP WAGES—Continued.  
Steamship "Rossia," cargo ship, of Liverpool, etc.—Continued.

		British money per month.	American money per month.
		£ s.	
1	Boy.....	5 10	\$24.48
1	do.....	7 0	31.15
1	Chief engineer.....	23 10	104.58
1	Second engineer.....	20 10	91.23
1	Third engineer.....	16 0	71.20
1	Fourth engineer.....	13 0	57.85
1	Donkeyman.....	11 10	51.18
3	Oilers, at £11.....	33 0	@\$48.95=146.85
9	Firemen and trimmers, at £10 10s.....	94 10	@46.73=420.57
1	Steward.....	14 10	64.54
1	Cook.....	13 10	60.08
1	Second steward.....	8 10	37.83
1	Second cook.....	8 10	37.83
1	Third steward and cook.....	7 0	31.15
36	Total pay per month.....	413 10	1,840.19

Pound sterling=\$4.45.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 20, 1922.

DUTCH SHIP WAGES.

Steamship "Alcor," cargo ship, of Rotterdam, 3,551 gross tons, 2,171 net tons, coal burner.  
NORTH ATLANTIC TRADE.

		Dutch florins per month.	American money per month.
1	First mate.....	270	\$108.00
1	Second mate.....	195	78.00
1	Third mate.....	130	52.00
1	Radio operator.....	0.1	.04
1	Boatswain.....	130	52.00
3	Able seamen, at 115 florins.....	345	@\$46.00=138.00
2	Ordinary seamen, at 65 florins.....	130	@26.00=52.00
1	Chief engineer.....	335	134.00
1	First assistant engineer.....	230	92.00
1	Second assistant engineer.....	165	66.00
1	Third assistant engineer.....	80	32.00
1	Deck engineer.....	130	52.00
1	Oiler.....	130	52.00
6	Firemen, at 120 florins.....	720	@48.00=288.00
3	Coal passers, at 100 florins.....	300	@40.00=120.00
1	Steward.....	170	68.00
1	Cook.....	160	64.00
1	Second cook.....	50	20.00
2	Mess boys, at 60 florins.....	120	@24.00=48.00
1	Utility man.....	40	16.00
31	Total pay per month.....	3,830.1	1,532.04

<sup>1</sup> Balance paid by Radio Co. of Holland.

NOTE.—A semi-official wage board, in which the Dutch Government, the ship-owners, and the officers and men are represented, fixes a minimum wage for all ratings, but has no power to enforce its decisions. Companies pay more or less than the minimum rate as they see fit. Some Dutch companies pay a bonus, but the amount is stated to be merely nominal. Age and length of service count for much in fixing the wages of both officers and men.

1 florin = 40 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 12, 1922.

DUTCH SHIP WAGES.

Steamship "Bavecan," cargo liner, of Amsterdam, 6,478 gross tons, 4,177 net tons, coal burner.  
DUTCH EAST INDIA TRADE.

		Dutch florins per month.	American money per month.
1	First mate.....	320	\$128.00
1	Second mate.....	240	96.00
1	Third mate.....	170	68.00
1	Radio operator.....	170	68.00
1	Boatswain.....	175	70.00
1	Second boatswain.....	155	62.00
1	Carpenter.....	175	70.00
7	Able seamen, at 130 florins.....	910	@\$52.00=364.00
1	Ordinary seaman.....	75	30.00
1	Apprentice.....	45	18.00
1	do.....	30	12.00
1	Chief engineer.....	475	190.00
1	First assistant engineer.....	320	128.00
1	Second assistant engineer.....	240	96.00
1	Third assistant engineer.....	170	68.00
1	Deck engineer.....	100	40.00
2	Fireman (leader).....	120	48.00
1	do.....	110	44.00

<sup>1</sup> Radio operator also receives 20 florins (\$8) monthly when ship is in port and he eats ashore.

<sup>2</sup> Chinese.

DUTCH SHIP WAGES—Continued.  
Steamship "Bavecan," cargo liner, of Amsterdam, etc.—Continued.  
DUTCH EAST INDIA TRADE—continued.

		Dutch florins per month.	American money per month.
1	Fireman (leader).....	105	\$42.00
1	do.....	100	40.00
1	Firemen, at 100 florins.....	1,500	@\$40.00=600.00
1	Oilers, at 105 florins.....	210	@42.00=84.00
1	Steward.....	190	76.00
1	Cook.....	150	60.00
1	Second cook.....	90	36.00
1	Third cook.....	75	30.00
1	Mess boy.....	37	14.80
1	do.....	32	12.80
1	Mess boys, at 27 florins.....	54	@10.80=21.60
51	Total pay per month.....	6,543	2,617.20

<sup>1</sup> Chinese.

NOTE.—A semi-official wage board, in which the Dutch Government, the ship-owners, and the officers and men are represented, fixes a minimum wage for all ratings but has no power to enforce its decisions. Companies pay more or less than the minimum rate as they see fit. Some Dutch companies pay a bonus, but the amount is stated to be merely nominal. Age and length of service count for much in fixing the wages of both officers and men.

1 florin=40 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
New York, August 17, 1922.

DUTCH SHIP WAGES.

Steamship "Britsum," cargo ship, of Amsterdam, 2,088 gross tons, 1,305 net tons, coal burner.  
EUROPEAN TRADE.

		Dutch florins, monthly.	American money, monthly.
1	First mate.....	288	\$115.20
1	Second mate.....	198	79.20
1	Third mate.....	153	61.20
1	Radio operator.....	0.1	.04
1	Boatswain.....	135	54.00
3	Able seamen, at 130 florins.....	390	@\$52.00=156.00
1	Apprentice.....	75	30.00
1	do.....	50	20.00
1	Ordinary seaman.....	115	46.00
1	Chief engineer.....	410	164.00
1	First assistant engineer.....	243	97.20
1	Second assistant engineer.....	160	64.00
1	Third assistant engineer.....	90	36.00
1	Junior third engineer.....	70	28.00
2	Firemen, at 135 florins.....	270	@54.00=108.00
2	Firemen, at 120 florins.....	240	@48.00=96.00
1	Deck engineer.....	145	58.00
1	Coal passer.....	115	46.00
1	do.....	110	44.00
2	Coal passers, at 90 florins.....	180	@36.00=72.00
1	Steward and cook.....	150	60.00
1	Second steward and cook.....	50	20.00
1	Utility man.....	35	14.00
1	Messman.....	40	16.00
1	Messboy.....	35	14.00
30	Total pay per month.....	3,753	1,501.40

<sup>1</sup> Paid by Radio Co. of Holland, on basis of 1 florin=40 cents.

AMERICAN STEAMSHIP OWNERS' ASSOCIATION,  
11 Broadway, New York, September 5, 1922.

DUTCH SHIP WAGES.

Steamship "Madiocn," cargo ship, of Rotterdam (Rotterdam Lloyd), 6,803 gross tons, 4,300 net tons, coal burner.  
EAST INDIA TRADE.

		Dutch florins per month.	American money per month.
1	First mate.....	320	\$124.80
1	Second mate.....	210	81.90
1	Third mate.....	170	68.30
1	Fourth mate.....	100	39.00
1	Radio operator.....	1	.39
1	Boatswain.....	160	62.40
1	Carpenter.....	145	58.55
1	Lampman.....	120	46.80
7	Able seamen, at 115 florins.....	805	@\$44.85=313.95
1	Ordinary seaman.....	68	26.52
1	Chief engineer.....	475	185.25
1	First assistant engineer.....	270	105.30
1	Second assistant engineer.....	185	72.15
1	Third assistant engineer.....	160	62.40
1	Junior assistant.....	120	46.80

<sup>1</sup> Balance paid by Government—not a charge to ship.

## DUTCH SHIP WAGES—Continued.

Steamship "Madioen," cargo ship, of Rotterdam, etc.—Continued.  
EAST INDIA TRADE—continued.

		Dutch florins per month.	American money per month.
2	Junior assistants, at 100 florins.....	200	@\$39.00=\$78.00
13	Oilers, at 95 florins.....	285	@\$37.05=\$111.15
11	No. 1 fireman.....	110	42.90
11	No. 2 fireman.....	100	39.00
11	No. 3 fireman.....	95	37.05
11	No. 4 fireman.....	95	37.05
18	Firemen and trimmers, at 90 florins.....	1,620	@\$35.10=\$561.80
1	Steward.....	150	58.50
1	Cook.....	160	62.40
1	Second cook.....	80	31.20
3	Messboys, at 30 florins.....	90	@\$11.70=\$35.10
2	Messboys, at 26 florins.....	52	@\$10.14=\$20.28
1	Messboy.....	27	10.53
57	Total pay per month.....	6,373	2,455.47

<sup>1</sup> Chinese.

1 florin=39 cents.

NOTE.—A semi-official wage board, in which the Dutch Government, the ship-owners, and the officers and men are represented, fixes a minimum wage for all ratings but has no power to enforce its decisions. Companies pay more or less than the minimum rate as they see fit. Some Dutch companies pay a bonus, but the amount is stated to be merely nominal. Age and length of service count for much in fixing the wages of both officers and men.

## AMERICAN STEAMSHIP OWNERS' ASSOCIATION,

New York.

## DUTCH SHIP WAGES.

Steamship "Ootmarsum," cargo ship, of Amsterdam, 3,684 gross tons,  
2,208 net tons, oil burner.

(Arrived at New York, Sept. 5, 1922, with coal from Swansea.)

		Dutch florins per month.	American money per month.
1	First mate.....	217	\$84.63
1	Second mate.....	195	76.05
1	Third mate.....	130	50.70
1	Boatswain.....	130	50.70
5	Able seamen, at 115 florins.....	575	@\$44.85=\$254.25
1	Ordinary seaman.....	65	25.35
1	Deck boy.....	25	9.75
1	Chief engineer.....	375	140.25
1	First assistant.....	255	99.45
1	Second assistant.....	165	64.35
1	Apprentice.....	110	42.90
1	do.....	90	35.10
3	Firemen, at 120 florins.....	360	@\$46.80=\$168.40
1	Wiper.....	90	35.10
1	Steward.....	90	35.10
1	Cook.....	160	62.40
1	Second cook.....	40	15.60
1	Mess boy.....	40	15.60
1	Donkeyman.....	130	50.70
25	Total pay per month.....	3,242	1,264.38

1 florin=39 cents.

NOTE.—A semi-official wage board, in which the Dutch Government, the ship-owners, and the officers and men are represented, fixes a minimum wage for all ratings but has no power to enforce its decisions. Companies pay more or less than the minimum rate as they see fit. Some Dutch companies pay a bonus, but the amount is stated to be merely nominal. Age and length of service count for much in fixing the wages of both officers and men.

## AMERICAN STEAMSHIP OWNERS' ASSOCIATION,

New York, August 8, 1922.

## DUTCH SHIP WAGES.

Steamship "Palembang," cargo liner, of Rotterdam, 7,081 gross tons,  
4,499 net tons, oil burner.

## DUTCH EAST INDIA TRADE.

		Dutch florins per month.	American money per month.
1	First mate.....	335	\$134.00
1	Second mate.....	240	96.00
1	Third mate.....	170	68.00
1	Fourth mate.....	120	48.00
1	Radio operator.....	170	68.00
1	Boatswain.....	185	74.00
1	Carpenter.....	160	64.00
1	Able seaman (leader).....	135	54.00
7	Able seamen, at 130 florins.....	910	@\$52.00=\$473.00
1	Ordinary seaman.....	75	30.00
1	Chief engineer.....	475	190.00
1	First assistant engineer.....	300	120.00
1	Second assistant engineer.....	200	80.00
1	Third assistant engineer.....	160	64.00

## DUTCH SHIP WAGES—Continued.

Steamship "Palembang," cargo liner, of Rotterdam, etc.—Continued.  
DUTCH EAST INDIA TRADE—continued.

		Dutch florins per month.	American money per month.
13	Oilers, at 105 florins.....	315	@\$42.00=\$126.00
11	Fireman (leader).....	125	50.00
11	do.....	115	46.00
11	do.....	110	44.00
11	do.....	105	42.00
18	Ordinary firemen, at 102 florins.....	1,836	@\$40.80=\$744.40
1	Steward.....	175	70.00
1	Cook.....	175	70.00
1	First assistant cook.....	90	36.00
11	Second assistant cook.....	60	24.00
1	Messboy.....	37	14.80
1	do.....	32	12.80
12	Messboys, at 27 florins.....	54	@\$10.80=\$21.60
53	Total pay per month.....	6,864	2,745.60

<sup>1</sup> Chinese.

NOTE.—The 18 firemen include water tenders, wipers, etc.

NOTE.—A semi-official wage board, in which the Dutch Government, the ship-owners, and the officers and men are represented, fixes a minimum wage for all ratings but has no power to enforce its decisions. Companies pay more or less than the minimum rate as they see fit. Some Dutch companies pay a bonus, but the amount is stated to be merely nominal. Age and length of service count for much in fixing the wages of both officers and men.

1 florin=40 cents.

## AMERICAN STEAMSHIP OWNERS' ASSOCIATION,

New York, September 4, 1922.

## DUTCH SHIP WAGES.

Steamship "Vecndyk," cargo ship, of Rotterdam (Holland-American  
Line), 6,557 gross tons, 4,262 net tons, coal burner.

## NORTH ATLANTIC TRADE.

		Dutch florins per month.	American money per month.
1	First mate.....	288	\$112.32
1	Second mate.....	216	84.24
1	Third mate.....	153	59.67
1	Fourth mate.....	108	42.12
2	Apprentices, at 54 florins.....	108	@\$21.06=\$22.78
2	Radio operators, at 1 florin.....	2	.78
1	Boatswain.....	145	56.55
1	Carpenter.....	145	56.55
4	Quartermasters, at 135 florins.....	540	@\$52.65=\$284.34
8	Able seamen, at 130 florins.....	1,040	@\$50.70=\$527.28
1	Chief engineer.....	405	157.95
1	First assistant.....	270	105.30
1	Second assistant.....	198	77.20
1	Third assistant.....	153	59.67
2	Junior assistants, at 72 florins.....	144	@\$28.08=\$40.32
1	Fireman.....	145	56.55
3	Oilers, at 142½ florins.....	427½	@\$55.58=\$237.74
22	Firemen and trimmers, at 135 florins.....	2,970	@\$52.65=\$156.30
1	Steward.....	145	56.55
2	Cooks, at 135 florins.....	270	@\$52.65=\$142.23
1	Baker.....	110	42.90
1	Cook.....	70	27.30
1	do.....	40	15.60
6	Messboys, at 30 florins.....	180	@\$11.70=\$21.06
66	Total pay per month.....	8,274	3,226.27

<sup>1</sup> Balance paid by State—not a charge to ship.

NOTE.—A semi-official wage board, in which the Dutch Government, the shipowners, and the officers and men are represented, fixes a minimum wage for all ratings but has no power to enforce its decisions. Companies pay more or less than the minimum rate as they see fit. Some Dutch companies pay a bonus, but the amount is stated to be merely nominal. Age and length of service count for much in fixing the wages of both officers and men.

1 florin=39 cents.

Mr. Speaker, the foregoing facts leave no doubt as to the cause of the disappearance from the sea of the American flag. They show the real purpose of the present bill, which is a subsidy to labor to equalize the difference in cost, as I stated in my opening remarks. These facts answer the persistent inquiry why this country, whose material progress has been the standing wonder of all history, with its overseas trade out-ranked only by its domestic commerce, has not adopted the policy of at least carrying its own goods in its own vessels, operated under its flag. This field is destined to be an increasing one and would inevitably attract capital and American genius if the way were open.

The vast difference in cost of (1) construction, (2) maintenance, and (3) operation between our standards and those of our competitors leaves nothing further to be said upon our disappearance from the sea. Shall we repeat all our navigation



and protective laws, enacted to preserve the higher standards of labor, in order to compete for the trade at lower cost? Shall we permit the American flag to fly over a merchant marine operated by Asiatics or coolie labor? To ask the question is to answer it. Of course, we will not do this. Shall we continue to operate the industry by the Government running them on the higher cost level and appropriate from the Treasury the losses sustained, which can never be definite, but which must be both inefficient and wasteful, as demonstrated by our recent experiences? So far as I am concerned, I shall oppose this alternative which is pressed by the opponents of the only other plan now open.

The plan here proposed, as I see it, is the only solution. There is no other alternative if we decide to remain on the sea. It is either abandon all hopes of an American merchant marine altogether or continue the Government operation with all of its possibilities of business disintegration, or else adopt some plan as proposed by this bill of Government aid.

The opponents of this bill satisfy themselves by mere opposition. They offer not a single constructive proposal. They even deny the most patent fact that they are for a merchant marine on the one hand, and on the other are not for Government operation of it. This statement is in the face of a gradual disappearance of our flag from the sea, and in the light of the most obvious reasons for that disappearance I am supporting the measure as a wise economic policy to conserve American enterprise of labor and capital in the interest of our people. Time will prove this contention if the bill becomes a law.

Mr. YATES. Mr. Speaker, I had at one time some doubt as to whether I ought to vote for this so-called ship subsidy bill, but that doubt has been removed. It was almost entirely removed by the President's address. A rereading and study of that address reduced the doubt. And the amendments which have been made during the debate, and for which I was glad to vote, have reduced the doubt still further—reduced it to a minimum. The striking out of the exemptions from income tax, the striking out of the word "permanent" before the appropriation provisions, the striking out of the provision exempting the shipping authority from supervision by the accounting authority of the Government, so improved the bill that I do not believe that the Government or Nation can possibly lose more money by the proposed subsidy, or Government-aid arrangement, than it is now losing per annum, namely, \$50,000,000 per annum, which, by the way, is an actual and substantial subsidy in effect if ever there was a subsidy in the history of any nation.

Only one objection remains, and that is: Will somebody make too much money; will it amount to a raid on the Treasury by some big corporation? It seems to me the answer to that is this: We should not, can not vote down a good and substantial public benefit because occasionally somebody may make more money under it than his just share. Inevitably somebody makes more money than his just share when we legislate.

This happens when we legislate for protection (by tariffs) of American industry and labor, or for railroads, or good roads, or aerial roads, or express, or for bridges, or rivers, or harbors, or public buildings, or post offices, or for science, or lighthouses, or health, and hospitals and hygiene, or for education.

That objection is, I think, far outweighed by the fact that this act will aid the national defense—aid us not to make war, but to avert war.

In his address to a joint session of the Senate and House of Representatives Mr. Harding set forth in clear and precise language a forceful argument for the bill, based almost wholly on economic grounds. He made no attempt to sway his auditors with fine phrases; he made no appeal to the emotions; it was a simply worded, carefully thought out presentation of a situation which the President regards as perhaps the most critical, so far as the commercial destinies of the Nation are concerned, that the American people have ever faced.

Early in his address the President frankly admitted that he understood fully the opposition that confronted the administration's desires, and then he proceeded to try to convince the Congress that enactment of the merchant marine legislation was essential to the promotion of the national welfare. As a simple problem in finance, the President declared that passage of the bill would mean a saving of millions of dollars and prevent the sacrifice of many millions more in national capital already invested.

We are now dealing with a policy founded on theory; we have a problem which is one of grim actuality—

The President asserted—

We are facing insistent conditions, out of which will come either additional and staggering Government losses and national impotence on the seas or else the unfurling of the flag on a great American

merchant marine commensurate with our commercial importance to serve as carrier of our cargoes in peace and to meet the necessities of our defense in war.

The high points of the message are as follows:

I have come to ask you to relieve the responsible administrative branch of the Government from a program upon which failure and hopelessness and staggering losses are written for every page, and let us turn to a program of assured shipping to serve us in war and to give guaranty to our commercial independence in peace.

I am not asking authorization of a new and added draft on the Public Treasury; I am appealing for a program to diminish the burden we are already bearing.

Three courses are open—constructive, obstructive, and destructive. I ask the constructive course.

It would seem to be doubly humiliating when we own ships and fail in the genius and capacity to turn their prows toward the marts of the world.

It is unbelievable that the American people, or the Congress which expresses their power, will consent to surrender and destruction.

I challenge every insinuation of favored interests and the enrichment of the special few at the expense of the Public Treasury. I am appealing to save the Treasury.

I think it loftier statesmanship to support and commend a policy designed to effect the large good of the Nation than merely to record the too hasty impressions of a constituency.

"Government aid" would be a fairer term than "subsidy" in defining what we are seeking to do for our merchant marine.

The President declared it was not a question of adding new Treasury burdens or of contracting an outlay to support merchant shipping, because the Nation already is paying dearly; but he insisted that he appealed for a program to diminish the burden already weighing heavily. He epitomized his argument in this language:

When the question is asked, Why the insistence for the merchant marine act now? the answer is apparent. Waiving every inspiration which lies in a constructive plan for maintaining our flag on the commercial highways of the seas, waiving the prudence in safeguarding against another \$3,000,000,000 madness if war ever again impels, we have the unavoidable task of wiping out a \$50,000,000 annual loss in operation and losses aggregating many hundreds of millions in worn-out, sacrificed, or scrapped shipping.

Then the supreme humiliation, the admission that the United States—our America, once eminent among the maritime nations of the world—is incapable of asserting itself in peace triumphs on the seas of the world. It would seem to me doubly humiliating when we own the ships and fail in the genius and capacity to turn their prows toward the marts of the world.

I call your attention to the fact that in the above statements the President talks economic things. He does not dwell on war; he mentions war only twice; but I imagine he had possible war in his mind all the time. Not that he wants war—not that. He does not want war; nor do you; nor do I. But I believe war will come. Everyone whom I know who has visited Europe or Asia believes there will be more wars. Wars have not ceased upon the face of the earth. The era of universal peace has not dawned. The millennium is not here. God will have to change the natures of men before wars cease. Nations will fight—intelligent peoples will fight to be free. Wars can be postponed and averted. The gloriously clean and noble Army of America did not go to France in vain. Its valor will keep the kings and emperors, the sultans and czars and mikados off of us for many years, perhaps a generation, perhaps until 1950. Doubtful; but we must not again be caught unprepared. Next time we will not have the British fleet to protect us and transport us. We must buy unless we have built. Let us build. I will wager all I possess that the President had all this in mind. I have voted for an adequate Army, for an adequate Navy, for adequate railroad and dirt-roads transportation, for adequate service and health and education; but it is all in vain unless we can in sudden war be prepared on the sea.

Certain communications from certain of my constituents whose opinions and observations I invoked by writing to them are so illuminating and interesting that I add them here. I particularly and specifically agree with the present mayor of Chicago, the Hon. William Hale Thompson, who believes that every man and woman and child in the State of Illinois will be benefited by Government aid to American shipping; that it would help every farmer and every business man and every manufacturing concern; that the delivery of our products in foreign markets under the American flag will increase our export business and thereby increase the demand for labor.

[From the Mayor of Chicago.]

CHICAGO, ILL., November 27, 1922.

HON. RICHARD YATES,  
Member of Congress, Washington, D. C.:

Your telegram with reference to ship subsidy bill received. I believe a vote for the ship subsidy bill is a vote for every man, woman, and child in the State of Illinois. I believe it would help every farmer, every business man, and every manufacturing concern. The delivery of our products in foreign markets under the American flag will increase our export business and thereby increase the demand for labor. To permit our ships, which the people have paid for, to rot would be a calamity, and, as pointed out by the President, they can ultimately be turned into a profitable institution rather than a terrific loss. My forefathers were clipper-ship owners and masters for three generations.



My father went to sea before the mast on an American clipper at 16 years of age and finished his seafaring life as a lieutenant commander in Farragut's squadron at the close of the Civil War, and I have heard many, many times from his lips of the great loss to our people and our country on account of our Government's lack of support of our merchant marine. I am glad the opportunity presents itself and I hope you may see your way clear to support the President in this important matter.

WILLIAM HALE THOMPSON, Mayor.

[From two employers of labor.]

CHICAGO, ILL., November 27, 1922.

HON. RICHARD YATES,  
Member of Congress, Washington, D. C.:

As I come in contact with the opinion here, it seems to largely favor the subsidy for an adequate merchant marine. A powerful and efficient United States merchant marine prior to the war would have saved this country billions of dollars during the war. The preservation of peace, the ability to victoriously defend ourselves in war, and at the same time make possible the development of our great opportunity in the export business compels me to believe that the ship subsidy bill should become a law.

JOHN G. SHEDD,  
President of Marshall Field & Co.

CHICAGO, ILL., November 27, 1922.

HON. RICHARD YATES,  
House of Representatives, Washington, D. C.:

Have read President's message. Think we should all stand with him on subsidy bill. We have been wrong on ship legislation for more than 70 years. Many experiments have been tried and failed. We have not tried subsidy plan, which gave British mastery of the seas. We should do so.

B. E. SUNNY,  
President Chicago Telephone Co.

[From John H. Walker, president Illinois Federation of Labor.]  
SPRINGFIELD, ILL., November 27, 1922.

HON. RICHARD YATES,  
Congressman at Large from Illinois,  
House of Representatives, Washington, D. C.:

Telegram received. I am advised that the evils contained in the bill more than outweigh any benefits that might be derived through it. However, the ship subsidy bill is national legislation. The American Federation of Labor represents the labor movement on national legislative matters. I am so engrossed with State matters that I have not been able to give sufficient time to get all the details. With reference to the ship subsidy bill, I am wiring President Gompers to give you all information on that matter from labor's point of view.

J. H. WALKER.

[From a great churchman and well-known labor advocate.]

CHICAGO, ILL., November 27, 1922.

HON. RICHARD YATES,  
House of Representatives, Washington, D. C.:

I strongly favor ship subsidy bill. America now has unparalleled opportunity to create merchant marine which will make and keep her one of foremost commercial nations of the world. In my judgment, to neglect the opportunity would be lack of highest statesmanship. I urge you to vote for the bill.

BISHOP THOMAS NICHOLSON.

[From a veteran editor.]

CHICAGO, ILL., November 27, 1922.

HON. RICHARD YATES,  
House of Representatives, Washington, D. C.:

I am able to give you the most positive assurance that the sentiment of the West is strongly against the ship subsidy. Your constituents, particularly the farming element, are aggressively opposed to the contemplated raid on the Federal Treasury, and the President's special message in defense of it fell flat. The campaign of extensive propaganda, which has been pouring like a torrent into every newspaper office in the country, has utterly failed to convince the people that this iniquitous measure will in any manner benefit the West, which already is tottering under the burden of enormous Federal, State, and municipal taxation.

JOHN C. EASTMAN,  
Editor Chicago Daily Journal.

[From a surgeon interested in public affairs.]

CHICAGO, ILL., November 27, 1922.

HON. RICHARD YATES,  
House of Representatives, Washington, D. C.:

I believe in the constructive policy of our President. In my opinion, without a subsidy our merchant marine will become practically nil. Capital can not compete with the cheap labor on foreign ships. I believe the Nation will be benefited far in excess of the amount granted. Whether the ship subsidy will be popular I can not say, as I have heard opinions pro and con.

B. M. ROSS, M. D.

Mr. BOX. Mr. Speaker and gentlemen of the House. In connection with what I said in the House during the discussion of this bill, which was limited by lack of time, I extend my remarks concerning the same in the RECORD for the purpose of further recording my objection to the measure and giving an abridged statement of some of the many reasons for my opposition to it.

The sponsors of this measure claim that by its passage we would exchange the heavier burden of expense the Shipping Board and its activities impose for the lighter load which the passage of this bill would place upon taxpayers. If that were

the situation and result, the argument would have weight. But instead of exchanging one of these burdens for the other we are retaining the one and taking on the other.

The heavy appropriations we make for the Shipping Board may be roughly divided into two classes. Those for the Shipping Board's own force and those on account of the ships and shipping business it manages.

Are we to be rid of the Shipping Board after the passage of this act? On the contrary, the bill itself provides for the indefinite continuance of that expensive organization and provides for it varied and vastly important additional activities. If we could by a stretch of the imagination for a moment fancy that this bill would relieve us of the Shipping Board, a glance at any page of the bill would remind us that under its terms years and administrations may come and go but that the Shipping Board, with its important and vast powers and work and the great expense they involve, is to go on indefinitely. We can not read this bill and hope that we are by it exchanging the Shipping Board for anything. We are keeping the Shipping Board, with its desire to perpetuate itself, its thirst for power, its big salaries, its army of employees, and its almost boundless capacity to consume the contents of the Treasury.

Are we assured that this bill will relieve us of the ships which occasion the other portion of this sickening expense account? Are we assured that the passage of this bill will cause the sale of these ships? It is hoped by the high-salaried young hopefuls of our national shipping business that we will sell ships representing about 6½ per cent of the total cost of all our ships. Two hundred millions of dollars is the amount of sales hoped for, and that is 6½ per cent of \$3,000,000,000—the cost of the ships. That may be the best sale that can be made, but it is not much sale. A loss of more than 93 per cent is a loss of substantially all. What are we to do with the big remainder? Sink it? We have been slow to sink anything on which a watchman's job or a \$35,000 expert's salary could be made to ride. What assurance have we that this big lot of ships, little reduced by the best subtraction hoped for, will be promptly sunk or scrapped. There will be no new inducement to scrap it, much less to destroy the jobs which they have thus far sustained.

Is the aid proposed by the bill to be limited to the purchasers of our ships? No; it will be given as freely to ships now owned by the Government's competitors in the shipping business as it will be to those who purchase our ships. The world has more ships than is needed by world traffic. They are, therefore, rotting in the harbors and being offered for one-third to one-half their cost. This bill will not create any new cargoes. The world's ships will continue to wait for cargoes. Under these conditions will steamship owners abandon their own ships and buy ours, even at a reduced price, when they can get all the benefits offered by this measure by operating ships they now own? Of course they will, in the main, use their own ships and draw the subsidy. If there were traffic enough for all the shipping, all available ships would be in use. It is foolish in the extreme to expect that when there is not enough traffic even for all their own ships they will buy ours, even at a reduced price, and throw away theirs. When their own ships get old and others are needed, we are offering special inducements in long-term, low-interest credit to induce them to build other new ships instead of buying ours.

The bill specifically provides for the continuance of the Shipping Board, so it will continue with its burdens. This bill does not promise, much less assure, that we will get rid of the major part of our ships. The greater part of them will probably remain with us, with the burdens which they impose. So we will have at least the major part of our old burden, plus the new one we are taking on. Therefore we are not exchanging a heavy load for a lighter load. We are keeping a heavy one, imposed by the necessities of war, and loading the public with another in peace times at the instance of privilege-seeking greed.

In addition to the utter futility of the measure as a pretended alternative for the present Shipping Board and the expense resulting from its conduct of the shipping business, I object to it because it presents no plan for a self-supporting American merchant marine. A merchant marine which is to burden the other industries and activities of the people by causing them to be taxed in order to maintain it is, of course, a drain upon the resources of the Nation instead of a support to them. These two fundamental objections would compel me to oppose the measure; but they are by no means all.

It is full of sinister, wicked provisions, in keeping with the bad purposes which the whole of it is designed to promote. As proposed by the committee, it would give these bounties



to big, private, profit-making combinations, like the Standard Oil Co. and its subsidiaries, the Steel Trust, and other big private interests, like that of the packers, many of whom do, and others who may, operate their own vessels in carrying to and from foreign ports their own goods to their own warehouses and factories. Even as amended, the same vicious principle is in the bill and in great measure the same result will be caused.

It connects the Nation with a most dangerous policy of helping steamship companies make money out of bringing immigrants to America. The history of their handling of this traffic is one of inhumanity, lawlessness, and unpatriotic disregard of the public welfare. One who reviews it as it has been conducted by them can hardly fail to notice its resemblance of the shipping engaged in the slave trade.

The history of the dealings of Congress with immigration is the record of difficulties caused by shipowners, contract-labor importers, and other obstructions embarrassing all efforts to protect the country against incoming criminals, prostitutes, paupers, and anarchists and an unwelcome throng of undesirable aliens.

Before 1820 no record was kept of immigration and no regulation of any kind was attempted. During the first 50 years after 1819 the National Government did nothing toward restriction but did attempt to prohibit shipowners from crowding poor wretches together like hogs or cattle in the insanitary, inhuman manner practiced by them, which caused degradation, disease, and thousands of deaths among them.

I read from volume 2 of the report of the United States Immigration Commission, page 589, which I cite as "I. C. R.":

Prior to the year 1819 there were no United States laws governing or regulating ocean passenger traffic. \* \* \* As a result abuses were permitted and practiced on transporting vessels that caused distress, disease, and death, especially among immigrants bound for America. (2 I. C. R. 589.)

Further, the fact that the protection given by the law—

\* \* \* was inadequate, is shown by the gruesome records of the steerage experiences in those days. (2 I. C. R. 591.)

From the beginning of the movement of population from Europe to the New World suffering and death were common on immigrant ships. Among the earlier instances recorded was that of 3,000 Palatines forwarded \* \* \* by England to New York, 470 of whom died on the voyage and 250 soon after their arrival of ship fever. There is also a gruesome account \* \* \* of experiences on a ship which sailed in 1731 for America from Rotterdam with 156 immigrants. She was bound for Philadelphia via Falmouth. When she had been at sea eight weeks the passengers were put on short allowances, and during the last five weeks of their journey were unable to obtain bread. Finally, they were paying 18 pence for a rat and 6 pence for a mouse. (2 I. C. R. 589.)

Upon the increased demand for transportation to the United States following the close of the second war with England many vessels which had originally been constructed solely for the purpose of transporting freight were hurriedly transposed into immigrant ships that they might enjoy some of the profits of a business that had become lucrative. This with the fact that excessive overcrowding had been practiced on all vessels, rendered the condition of emigrants at sea almost unbearable. (2 I. C. R. 590.)

The potato famine in Ireland occurred in 1847, and in consequence there was a great increase in emigration from that country. (2 I. C. R. 591.)

Famine-stricken Ireland was also fever ridden; \* \* \* the disease was carried aboard ship, where in the overcrowded and poorly ventilated steerage quarters thousands died of ship fever and thousands more survived the voyage only to die after landing.

Thousands of Irish and other British emigrants died during the voyage to Canada, and at Grasse Island, near Quebec, where the Canadian quarantine station was located, as many as 7,000 emigrants perished from ship fever and cholera in 1847 alone. (2 I. C. R. 592.)

In 1819, 1847, and 1855 laws were passed by Congress to limit crowding and prevent the starving of immigrants, but these were opposed, avoided, and disregarded by the shipping concerns. The Immigration Commission says:

It may well be questioned whether the condition surrounding the transportation of emigrant passengers had been improved by any of these laws. (2 I. C. R. 593.)

Slave ships, moved by human greed, brought wretched humans from Africa to sell into slavery in America, where they embroiled the country in years of strife, caused an awful war, and yet present a dangerous race problem. Immigrant ships, for gain, have all along been the chief offenders against America and against humanity. Many of them have been German, many have been British, and some have been American. Their desire for profits is now an embarrassment to the enactment of proper legislation and the enforcement of such as we have.

The same interests have repeatedly violated the provisions of the 3 per cent immigration law and brought numbers of immigrants in great excess of its provisions in defiance thereto. They did this knowingly, with malice aforethought. They did it in the face of the warnings of the American Government, given by its public officials, among whom were Mr. Secretary of State Hughes. This was done with the knowledge that if the immigrants were admitted the laws of the United States would be outraged, and if they were not admitted an unspeakable outrage would have been done by them to the poor immi-

grants, who would have sold all and have been thrown back upon the shores of distressed Europe, penniless and among strangers.

The steamship companies have gone their length to violate the eighteenth amendment to our Constitution and State and Federal enactments based thereon.

They are among the chief offenders against our narcotic laws down to this moment. The Washington Herald, a Hearst publication, is urging the passage of this legislation, and so can not be charged with the desire to prejudice it; yet its own news columns prove what I have just said about the steamship companies violating America's narcotic laws. I quote the following from the Washington Herald, issue of to-day, November 29:

#### STEAMSHIP FIGHTS OPIUM ACT PENALTY.

San Francisco Chamber of Commerce and mayor aid plea of China Mail Co. Frantic efforts are being made by the mayor, chamber of commerce, and other influential interests in San Francisco to save the China Mail Steamship Co. from the heavy penalty imposed in connection with a \$95,000 opium seizure, November 20, it was revealed here yesterday.

The seizure was aboard the steamship *Nanking* of the China line which docked at San Francisco November 18. The penalty of \$25 per ounce of opium seized totaled \$227,990. This must be paid or bond for double that amount posted before the vessel can sail under the terms of the Jones-Miller narcotic import control law passed by Congress last May.

The *Nanking* is due to sail on its return voyage November 30, but thus far has failed to post the bond. Accordingly, appeal has been made to Washington for reduction of the penalty on the claim that if it is enforced the company's credit will be impaired and it will be forced out of business.

The case is before Secretary of the Treasury Mellon, head of the board entrusted with enforcement of the law. He has wired Collector of Customs Hamilton at San Francisco for a report and recommendation before passing on the case.

This was the fifth opium seizure aboard the *Nanking* this year. (Washington Herald, November 29, 1922.)

These vast interests are bound together in mighty combines, one of the purposes and effects of which is to enable each to hide its violations of the law. Another effect of their combination is to make them strong enough to override the law through financial and political influences and by force of strength, such as the big trusts always have. Trusts are the only things which have proven too strong for the Government of the United States. This cooperation and consolidation in wrongdoing and the concealment thereof makes every part of the aggregation guilty of the crimes of each.

Now, the Congress takes up their fight, links the Government with their efforts to secure profit from it, and burdens the taxpayers to promote the wrongful purposes.

It is even suggested in Title III, section 303, that some 32 of our treaties of commerce and navigation be broken down, and that the executive department assume such control of the law as to bring the law and treaties into harmonious cooperation for the profits of the shipping lines. This will, of course, involve the change of the law or the treaties—one or both, probably both—to create complete cooperation of both. For what? For the profit of the steamship companies. This action is self-abasing and utterly unworthy of the United States. We will be fortunate indeed if we escape the calamity which the impairment or wholesale disregard of our immigration laws would bring. It certainly opens and paves the way for that evil and invites it.

Within the 63 printed pages of this measure are about as many things deceptive, wrong, hurtful to the public interest, and wholly unworthy of the Congress and Government of the United States as could be placed in that much printed space.

To enumerate all its vices is impossible. For me to understand how men, supposed to be representing the interests of the people of the United States, could perpetrate such a wrong against them is likewise impossible. For me it would be a crime to support this measure. For me to support it and seek to hide its many vicious provisions in veiled phraseology and pretensions of patriotic purpose would be to further offend by trying to conceal conscious wrong by hypocrisy and false pretense.

#### THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Chairman, I move to strike out the last word. I wish to read a telegram.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. GREENE of Massachusetts. I wish to read a telegram from Milwaukee, dated the 27th. I read:

MILWAUKEE, WIS., November 28, 1922.

Hon. W. S. GREENE,

Chairman House Committee on the Merchant Marine and Fisheries, Washington, D. C.:

Middle West Merchant Marine Committee at its second annual meeting in Milwaukee to-day, with representatives from 19 States and 92 cities, passed resolution indorsing pending shipping bill and urging its immediate passage as necessary for maintaining and extending our foreign markets for our agricultural and manufacturing surplus.

MALCOLM STEWART, Chairman.

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and amendments thereto be now closed.

Mr. GARRETT of Tennessee. Will the gentleman from Massachusetts yield for a question?

Mr. GREENE of Massachusetts. What kind of a question? Let us hear the gentleman's question.

Mr. GARRETT of Tennessee. That telegram did not state how they stood on the dry question in the bill, did it?

Mr. GREENE of Massachusetts. Oh, I have no doubt they are dry, the same as you are.

Mr. DAVIS of Tennessee. Will the gentleman from Wyoming yield?

Mr. GREENE of Massachusetts. No; I do not care to yield. You have offered amendments enough.

Mr. DAVIS of Tennessee. Will the gentleman from Wyoming yield?

Mr. MONDELL. I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. Earlier in the day there were a number of corrections of the numbers of sections. The Clerk was authorized to renumber certain sections. There are certain references to those sections in the text, and the Clerk should be authorized to correct those numbers in the references. Otherwise the references will be misleading.

Mr. CHINDBLOM. I ask unanimous consent that the Clerk be authorized to change properly the references to the section numbers.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the Clerk be authorized to correct the section numbers in the references. Is there objection?

There was no objection.

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 12817) to amend and supplement the merchant marine act of 1920, and for other purposes, had come to no resolution thereon.

#### SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills and joint resolution of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 4025. An act to permit Mahlon Pitney, an Associate Justice of the Supreme Court of the United States, to retire; to the Committee on the Judiciary.

S. 4036. An act to prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department; to the Committee on Military Affairs.

S. J. Res. 244. Joint resolution to donate to the American Legion certain war trophies captured by or surrendered to the armed forces of the United States in the World War; to the Committee on Military Affairs.

#### ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that November 27 they had presented to the President of the United States for his approval the following bill:

H. R. 12859. An act to provide for certain expenses incident to the third session of the Sixty-seventh Congress.

#### LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. TUCKER, until further notice, on account of sickness.

#### HOURLY MEETING TO-MORROW.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. Is there objection?

There was no objection.

#### ADJOURNMENT.

Mr. MONDELL. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.) the House adjourned until Wednesday, November 29, 1922, at 11 o'clock a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

711. Under clause 2 of Rule XXIV, a letter from the Postmaster General, transmitting report of the finances of the department for the preceding year, showing the amount of balances due the department at the beginning of the year, the amount of postage which accrued within the year, the amount actually paid during the year for carrying the mail, showing how much of the amount was for carrying the mail in preceding years, and also report of the amount expended in the department for the preceding year, including detailed statements of expenditures made from the contingent fund; also report showing number of employees receiving increased compensation at the rate of \$240 per annum, was taken from the Speaker's table and referred to the Committee on Expenditures in the Post Office Department.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HAWES: A bill (H. R. 13064) prohibiting the use of the mails for anonymous communications, providing a penalty, excepting information directed to a law-enforcement officer; to the Committee on the Post Office and Post Roads.

By Mr. SLEMP: A bill (H. R. 13065) to provide for the purchase of a site and for the erection of a public building thereon at Tazewell, State of Virginia; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13066) to provide for the purchase of a site and for the erection of a public building thereon at Appalachia, State of Virginia; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13067) providing for the purchase of a site and the erection of a public building thereon at Marion, State of Virginia; to the Committee on Public Buildings and Grounds.

By Mr. ROACH: A bill (H. R. 13068) fixing the salaries of the United States attorneys and United States marshals; to the Committee on the Judiciary.

By Mr. SEARS: A bill (H. R. 13069) fixing the per diem allowance for deputy clerks of district courts when necessarily absent from their official residence on official business; to the Committee on the Judiciary.

By Mr. McFADDEN: A bill (H. R. 13070) to amend sections 13 and 16 of the act approved December 13, 1913, known as the Federal reserve act, as amended; to the Committee on Banking and Currency.

By Mr. ELLIOTT: A bill (H. R. 13071) to amend section 9 of the Federal reserve act; to the Committee on Banking and Currency.

By Mr. HAMMER: A bill (H. R. 13072) to authorize the erection of a public building at Sanford, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13073) to authorize the erection of a public building at Hamlet, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. VOLSTEAD: A bill (H. R. 13074) to create a commission to recommend to Congress amendments necessary in order to simplify the pleading, practice, and procedure in certain Federal courts; to the Committee on the Judiciary.

By Mr. HUTCHINSON: Joint resolution (H. J. Res. 397) providing for the construction of a memorial bridge across the Delaware River at the point where Washington and his troops crossed said stream on the night of December 25 and the day of December 26, 1776; to the Committee on the Library.

By Mr. CROWTHER: Joint resolution (H. J. Res. 398) to donate to the Veterans of Foreign Wars of the United States certain war trophies captured by or surrendered to the armed forces of the United States in the World War; to the Committee on Military Affairs.

By Mr. KELLY of Pennsylvania: Resolution (H. Res. 453) for extra compensation for the clerk in the folding room during the Sixty-seventh Congress; to the Committee on Accounts.

By Mr. ELLIOTT: Resolution (H. Res. 454) requesting information from the Secretary of War in connection with recent credits to foreign powers; to the Committee on Military Affairs.



## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLARKE of New York: A bill (H. R. 13075) for the relief of Edward N. Moore; to the Committee on Military Affairs.

By Mr. FITZGERALD: A bill (H. R. 13076) for the relief of Maj. Martin F. Scanlon, Lieut. Courtney Whitney, and Lieut. Alfred B. Baker; to the Committee on Claims.

Also, a bill (H. R. 13077) granting an increase of pension to Lena Mauter; to the Committee on Pensions.

By Mr. GENSMAN: A bill (H. R. 13078) granting a pension to Robert F. Foote; to the Committee on Pensions.

Also, a bill (H. R. 13079) granting a pension to Jesse Lairson; to the Committee on Pensions.

By Mr. HAWES: A bill (H. R. 13080) granting an increase of pension to Rodney William Anderson; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 13081) granting a pension to Benjamin L. Swift; to the Committee on Pensions.

By Mr. KENDALL: A bill (H. R. 13082) granting a pension to Mary Wagner; to the Committee on Invalid Pensions.

By Mr. KOPP: A bill (H. R. 13083) granting an increase of pension to Mary A. Huffman; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 13084) granting a pension to Melissa Jean Thompson; to the Committee on Invalid Pensions.

By Mr. MILLSPAUGH: A bill (H. R. 13085) granting a pension to Julian A. Wheeler; to the Committee on Invalid Pensions.

By Mr. SCHALL: A bill (H. R. 13086) granting a pension to Mary A. Sims; to the Committee on Invalid Pensions.

By Mr. SWEET: A bill (H. R. 13087) granting an increase of pension to Josephine M. Orvis; to the Committee on Invalid Pensions.

By Mr. WATSON: A bill (H. R. 13088) granting a pension to Margaret E. Zeek; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13089) granting a pension to Mary H. Pennypacker; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 13090) granting a pension to Amanda Kline; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6475. By Mr. CROWTHER: Petition of members of the congregation of the First Presbyterian Church of Schenectady, N. Y., on conditions in the Near East; to the Committee on Foreign Affairs.

6476. By Mr. KINDRED: Petition of Frank S. Gardner, secretary of the Board of Trade and Transportation of New York, N. Y., favoring the passage of the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6477. Also, petition of W. T. Hornaday, of New York, N. Y., relative to wild game; to the Committee on the Judiciary.

6478. By Mr. KISSEL: Petition of the Simmons-Boardman Publishing Co., New York City, N. Y., favoring the passage of the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6479. By Mr. LEA of California: Petition of the Healdsburg Ministerial Association, on behalf of the citizens of Healdsburg, Calif., favoring measures to assist in securing justice and freedom to Armenia; to the Committee on Foreign Affairs.

6480. By Mr. RAKER: Petition of Unity Post, No. 171, Department of California and Nevada, Grand Army of the Republic, Veterans' Home, Napa County, Calif., indorsing and urging the passage of the bill known as the Bursum bill, giving \$72 a month pension to the veteran and \$50 a month to the widow; to the Committee on Invalid Pensions.

6481. By Mr. ROSSDALE: Petition of the Civitan Club of New York, to celebrate the three hundredth anniversary of the purchase of New York; to the Committee on Ways and Means.

6482. By Mr. ROSE: Petition of the Patriotic Order Sons of America, Camp No. 421, urging the passage of the Towner-Sterling bill for the creation of a department of education; to the Committee on Education.

## SENATE.

WEDNESDAY, November 29, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, on the eve of our national Thanksgiving Day we desire to return thanks for the manifold blessings with which Thou hast crowned our Nation. We bless Thee for Thy presence so frequently in times of anxiety and of danger. We thank Thee for all the providences which have watched over the Nation and brought us to our present situation.

Grant that truth and righteousness may always prevail. Increase among the people the consciousness of doing that which is uppermost in Thine own heart and for Thy purposes among the peoples of the world. Hear us and bless us, and be with any who sorrow to-morrow, and fill the vacancy by Thy presence, through Jesus Christ, our Lord. Amen.

PETER G. GERRY, a Senator from the State of Rhode Island, appeared in his seat to-day.

## CALL OF THE ROLL.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	George	McKellar	Simmons
Bayard	Gerry	McLean	Smith
Borah	Glass	McNary	Smoot
Brandegree	Gooding	Nelson	Spencer
Calder	Hale	New	Stanfield
Capper	Harrell	Nicholson	Stanley
Caraway	Harris	Norris	Sterling
Culberson	Harrison	Overman	Swanson
Cummins	Heflin	Page	Townsend
Curtis	Jones, N. Mex.	Pepper	Underwood
Dial	Jones, Wash.	Phelps	Wadsworth
Edge	Kellogg	Poin Dexter	Walsh, Mass.
Elkins	Keyes	Ransdell	Walsh, Mont.
Fernald	Ladd	Rawson	Warren
Fletcher	La Follette	Reed, Pa.	Watson
France	Lodge	Sheppard	Weller
Frelinghuysen	McCumber	Shortridge	Willis

The VICE PRESIDENT. Sixty-eight Senators have answered to their names. There is a quorum present.

## PROPOSED ADJOURNMENT OVER THANKSGIVING DAY.

Mr. UNDERWOOD. Mr. President, I move that the Senate do now adjourn until 12 o'clock noon on Friday next.

Mr. CURTIS. I make the point of order that the next thing in order is the reading of the Journal, and that nothing else is to be proceeded with under Rule III until the Journal has been read.

Mr. UNDERWOOD. I beg to differ with the point of order, and I desire to be heard on it for a moment. Undoubtedly the reading of the Journal can not be interrupted by any ordinary business. The reading of the Journal fixes yesterday's proceedings, and that must be attended to; but the right to adjourn is a constitutional right, and there is no rule of Senate procedure which could interfere with the right of this body to adjourn when it saw fit. The Senate Chamber might be on fire, and we might have to adjourn. A mob might be assaulting the outer door, and it would be necessary for the Senate to adjourn. I do not believe that the rule can go so far or that any precedent would justify saying that the Senate, if a majority of the Senators desired to adjourn, could not do so. Therefore I insist that the point of order against the motion to adjourn is not well taken.

The VICE PRESIDENT. The Chair will hear the Senator from Kansas.

Mr. CURTIS. We might as well settle the question now. I desire to make an additional point of order.

Mr. UNDERWOOD. Am I to understand that the Senator concedes the point is not well taken?

Mr. CURTIS. I want to make an additional point of order, and I might as well make it now as at any other time. I make the further point of order that the motion is dilatory.

I know we have no rule of the Senate with reference to dilatory motions. We are a legislative body, and we are here to do business and not retard business. It is a well-settled principle that in any legislative body where the rules do not cover questions that may arise general parliamentary rules must apply.

The same question was raised in the House of Representatives when they had no rule on the question of dilatory motions. It was submitted to the Speaker of the House, Mr. Reed. Mr. Speaker Reed held that, notwithstanding there was

no rule of the House upon the question, general parliamentary law applied, and he sustained the point of order.

I take it for granted that the Chair has a right to take notice of what happened here yesterday and what has happened here this morning that has not occurred before, I think, since I have been in the Senate, anyhow, now going on 14 years. I doubt if it has occurred since the celebrated filibuster on the force bill years ago. I desire at this point, without any further discussion, because it is so fully covered in what I am about to present, to read the opinion of Speaker Reed on this question. It will be found in Hinds' Precedents at page 358, as follows:

The Speaker recognized Mr. John Dalzell, of Pennsylvania, who arose to address the House, when Mr. William D. Bynum, of Indiana, claimed the floor on a question of personal privilege, and being recognized by the Speaker addressed the House on that question.

At the conclusion of Mr. Bynum's remarks, Mr. William M. Springer, of Illinois, moved that the House adjourn.

The Speaker ruled the motion not in order.

From this ruling Mr. Springer appealed.

The Speaker thereupon made the following statement to the House as the grounds of his ruling:

The House will not allow itself to be deceived by epithets. The facts which have transpired during the last few days have transpired in the presence of this House and of a very large auditory. No man can describe the action and judgment of this Chair in language which will endure unless that description be true.

A man much more famous than any in this Hall said many years ago that nobody could write him down but himself. Nobody can talk any Member of this House down except himself.

Whatever is done has been done in the face of the world, and is subject to its discriminating judgment. The proceedings of this House, so far as the Chair is concerned, have been orderly, suitable in conformity to the rules of parliamentary law, and the refusal of the Chair to entertain the motion to adjourn at this juncture is strictly in accordance therewith.

There is no possible way by which the orderly methods of parliamentary procedure can be used to stop legislation. The object of a parliamentary body is action, and not stoppage of action. Hence, if any Member or set of Members undertakes to oppose the orderly progress of business, even by the use of the ordinarily recognized parliamentary motions, it is the right of the majority to refuse to have those motions entertained, and to cause the public business to proceed.

Primarily the organ of the House is the man elected to the Speakership. It is his duty in a clear case, recognizing the situation, to endeavor to carry out the wishes and desires of the majority of the body which he represents. Whenever it becomes apparent that the ordinary and proper parliamentary motions are being used solely for purposes of delay and obstruction; when Members break over in an unprecedented way the rule in regard to the reading of the Journal; when a gentleman steps down to the front amid the applause of his associates on the floor and announces that it is his intention to make opposition in every direction, it then becomes apparent to the House and to the community what the purpose is. It is then the duty of the occupant of the Speaker's chair to take, under parliamentary law, the proper course with regard to such matters; and in order that there might not be any misunderstanding as to whether or not it is the wish or desire of the majority of the House—apparent as it seems to be—the question of the appeal from the refusal of the Chair to entertain the motion will be put to the House for its judgment and determination.

There was an appeal taken, and on the appeal the House sustained the ruling of Speaker Reed.

Mr. President, so far as this matter is concerned, I think it is useless to say more. We were notified here on yesterday by the leader on the other side of the Chamber that the pending legislation would not be allowed to pass; he frankly made that statement in order that this side might know the situation, and I think he ought to be commended for his frankness.

However, the question now presented to the majority is, Shall we do business or shall we permit business to be retarded? I make the point of order that under Rule III the reading of the Journal must be proceeded with until disposed of, and the further point that the motion is dilatory.

Mr. UNDERWOOD. Mr. President, I have heard the same song sung before that my good friend from Kansas [Mr. CURTIS] has just finished. I became a Member of the House of Representatives when that great statesman and great man, Speaker Reed, was in his glory as the Speaker and leader of the House of Representatives; when the stand-pat policies of the Republican Party were proclaimed by every flag and from every doorstep. It was the pride of the Republican organization that the Republicans used the strong arm to enforce their will upon the country; that they represented the special interests of the United States, and through them that they enforced the legislation of the land.

The Senator from Kansas has correctly quoted from the ruling of Speaker Reed. There was no rule of the House of Representatives to justify Mr. Speaker Reed's ruling, but, because an exigency in the parliamentary machine had arisen, Speaker Reed held that a simple motion to register the will of the House could be ignored by the Speaker. He did ignore it, and a Republican stand-pat House of Representatives sustained his ruling. What was the result? It was not long afterwards that Grover Cleveland was elected President of the United States, for the American people spewed up the proposition that

a parliamentary body could be run by force and not through an intelligent understanding.

Now, what does the Senator from Kansas ask the Chair to do? So far as this particular motion is concerned, there is nothing in it that is dilatory. To-morrow will be Thanksgiving Day. It has been well understood for days that we would adjourn over Thanksgiving Day; many of the Senators on the floor have made their arrangements for Thanksgiving Day. My motion is entirely in accord with the understanding that we have had. I recognize that the leadership may change their view in reference to the matter, but, nevertheless, what I have stated has been the understanding.

Mr. CURTIS. It would be better to proceed and transact business to-day and adjourn this evening after we shall have concluded to-day's business.

Mr. UNDERWOOD. Of course, a Senator on the other side of the Chamber may make the motion when it is desired, but there will not be any business transacted to-day. The Senator from Kansas knows that. I am not disguising the fact, Mr. President, because I believe in dealing in a perfectly frank manner with the Senate and with the Chair, if it will help the Chair any to have an understanding of the fact that we do not propose to do any business at this time. Of course, the Chair can overrule the motion if he desires to invade or to disregard parliamentary law, but there are plenty of other ways of securing a call of the roll, and we shall have many roll calls to-day, no matter what the ruling of the Chair may be. I am merely protesting in the interest of the preservation of the rules of the Senate.

Mr. President, Mr. Speaker Reed was a great man, a man of great force, but he represented ideals of government which the American people have repudiated, which have become archaic. They may have been the dominating ideals and controlling force in Speaker Reed's time, but the American people have cast them aside. It was because of the position that the Republican Party took, standing pat on tariff bills and rejecting legislation which the country desired, that from the bowels of the Republican Party came forth a number of men who called themselves "Progressives," and the Progressive Party finally, when Theodore Roosevelt became President, controlled the organization itself. Now it is slipping back to the times of Reed, to the times of standpatism.

I admit, Mr. President, that as the leader on this side of the Chamber, practically representing the voice of this side, with, perhaps, a few exceptions—

Mr. LODGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Massachusetts?

Mr. UNDERWOOD. I do.

Mr. LODGE. Mr. President, I merely want to say to the Senator that it seems to me he is confusing the contest which arose under Mr. Reed with one which arose nearly 20 years later when the Senator from Alabama was a Member of the House. If the Senator will allow me, Mr. Reed's reform of the rules and the position he took, especially with reference to a quorum, as the Senator knows, have been sustained by the Supreme Court and adopted by the Democratic Party in the House.

Mr. UNDERWOOD. Of course I am familiar with that proposition. The Supreme Court, of course, took the Journal of the House, as it will take the Journal in this case, and held that what the Journal showed must control, notwithstanding a quorum was counted. The particular instance occurred just before I became a Member of the House, but I served under Mr. Reed the second time he was Speaker, when he still maintained all his power and glory, and I can very well remember the time when not only a Democrat but even a Republican did not think of attempting to take the floor until he had gone to the Speaker's office and asked his kindly permission to accord him recognition some time during the day. It was necessary for a Member, if he had a bill or a motion in which his constituents were interested, to go with humble voice and bowed knee to the Speaker's office and ask kindly permission that he might secure recognition during the day. It was that character of procedure that was invoked and in force in this country when the precedent which the Senator from Kansas cites was made. Of course if Senators on the majority side are reactionary enough to want to go back to those conditions and those times then they can use their votes to do it. It is not so very material to me whether I secure the adoption of the motion to adjourn over until Friday because there are plenty of other motions which may be made, but I think the Senators on the other side will make a very great mistake if they head back toward Reedism at this time. I do not think the country will sustain them.



Mr. President, because I very candidly announced that this side of the Chamber was going to use every legitimate parliamentary means, as we have a right to do within the rules, to prevent the passage of the Dyer bill, that is called a filibuster by the other side, and I confess that it is. I do not generally believe in filibusters; I do not think they are justified. I myself, under proper circumstances, would like to see a liberalized cloture rule in this body. I want business transacted, and one reason why I stated yesterday most candidly that we on this side did not propose to allow the passage of this bill if we could prevent it by any legitimate parliamentary means, was that I want the business of the country and of the Senate to be transacted. The appropriation bills will be here shortly. I want to see them passed. They are a part of the legitimate business of the country. In Mr. Taft's administration, when I happened to be leader of the Democratic House, I assisted in securing the passage of the supply bills which were needed to run the Government, notwithstanding the President was a Republican and the House was Democratic.

I feel the same way about that question now. The majority are entitled to have the supply bills passed; they ought to become a law before the 4th of March, and I wish to help in that direction; but if Senators on the other side have any reason they must understand that if they are going to inject into the proceedings of the Senate what we call a force bill—they may call it by some other name, but it has been called in my section of the country a force bill so long that it would not be recognized by any other name—if the majority expect to keep that measure hanging over and then lay it aside in order to pass appropriation bills, they must know perfectly well that the filibuster is going to continue on the appropriation bills, and those bills are going to be slaughtered. There is but one way for the Senate now to get down to work and transact the business of the Government before the 4th of March, and that is to get a final disposition of this force bill before anything else is done. Pass it if you can; abandon it if we force you to do so.

As I said yesterday, not for a moment do I believe in mob rule or mob law; I believe that the law should be enforced by the officers of the law and by nobody else, but when it is attempted to take away the jurisdiction of the States in reference to certain crimes because they are attended by a mob and leave the jurisdiction of the States as to other crimes where there is not a mob, to take away the jurisdiction of the States when the mob is acting in violation of law, but not to take it away when the mob is not organized against the law, discriminating in favor of those whom it is desired to keep out of the Dyer bill for your own purposes and putting in the Dyer bill those you want to bring within the jurisdiction of the Federal Government, of course that is an affront to a large section of this country.

So long as the Senate has the rules that it has now, you know just as well as I know that I am standing here that you can not pass it; and, more than that, the country does not want you to pass it. The South is absolutely opposed to it, and always has been; but it goes farther than the South. You can not tell me that there are not thousands and hundreds of thousands of men and women in the North who are just as much opposed to this class of legislation as they are in the South. There is no difference between them. The old issues and animosities of the Civil War have long since passed. We belong to the same kin and the same people, and we think the same way. It is not that I am not in favor of protecting the negro race under the law. I think the negro has as much right to protection under the law as the white man has, but he should be protected within the Constitution; and you have no right to rape the Constitution of your country because you think somebody has violated the rights of some citizen in a particular State.

That is the issue, Mr. President. Of course, if Senators on the other side want to adopt the policy of injecting the strong arm, we are not going to deny that we are filibustering. We want the country to know just exactly what we are doing, and I am doing it because I think it is the only way to expedite the public business. If the Dyer bill is not off the floor of the Senate and an understanding reached in reference to it, or it is passed, you can not pass your supply bills this winter, because you are going to inject a feeling between the two sides of the Chamber that is going to make general legislation impossible. I do not want that to happen. Therefore, if you think you can pass it with the strong arm, now is your time to do it; but I do not think you can under the rules of the Senate, and I want to say this, Mr. President:

Of course the Senator from Kansas [Mr. CURTIS] has cited the ruling of Mr. Reed, where he admitted that there was

nothing in the rules of the House to justify the ruling that a motion to adjourn under these circumstances was dilatory; but it must be remembered, Mr. President, that the rules of the House at that time were very different from the rules of the Senate. The House at that time had adopted an absolute cloture rule, by which the majority at any time that it saw fit, by a vote, could absolutely cut off debate.

Mr. CURTIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Kansas?

Mr. UNDERWOOD. I do.

Mr. CURTIS. I have not the book before me; but I think, if the Senator will read the precedent I cited, he will find that this decision was made before the adoption of any rule by the House, and at a time when there were no rules of the House.

Mr. LODGE. I was a Member of the House at the time, and it was made before any rules were adopted.

Mr. SWANSON. The House is not a continuing body, and consequently it does not have rules to govern it until they are adopted, except the rules of general parliamentary law. This is a continuing body. The Presiding Officer of this body is bound by the rules of the Senate, which are continuing.

Mr. LODGE. That is an interesting question, but that is not the point. The point is that this ruling was made before the rules had been adopted, not afterward.

Mr. UNDERWOOD. I understand. The Senator is right about that; but what I am addressing myself to is the attitude of the parliamentary body. That is a point that the presiding officer of any parliamentary body will consider. This motion came before the House had passed the resolution adopting its rules, as it does every two years; but the preceding Houses had an absolute cloture rule. The policy of the House of Representatives was in favor of an absolute cloture rule. It was in favor of gagging the individual Member in order that the majority might move on and do their business. That is not the rule of the Senate. That never has been the rule of the Senate. That is not the rule under which we do business here.

The right of the individual Senator under the rules of the Senate is recognized in preference to the desire of the majority to do business. Any individual Senator can take the floor and talk for a month, if he wants to, under the rules of the Senate, and unless you can get a two-thirds vote, after a day's notice, nobody can stop him. The Senate does not stand for a gag rule or a gag decision; at least, it has not in the past. If it desires to do so this morning, it will set a precedent in the Senate; and, of course, it is not very material, as I said. We may not be able to stop all the business you are going to do, Senators, but you can not prevent us from having a roll call on every affirmative thing that you want to do. You can not hold that that is dilatory. The Constitution guarantees to us the right to a roll call on every single affirmative thing you are going to do, and the rules of the Senate guarantee to us the right to demand a quorum here before the roll call is started, after each transaction.

Just take your own calendar. The nominations of certain men have been sent in here for confirmation in executive session. Two roll calls consume half an hour. The confirmation of ten men, without anybody opening his mouth, means an ordinary legislative day of five hours. The Senator from Indiana [Mr. WATSON] smiles, but he will not smile when we run this thing for a week or two, because that is what you are going to get. You might just as well make up your minds to that—that we are going to have a roll call on every proposition on which the Vice President will allow us to have a roll call, and I know he will not deny a roll call on every affirmative proposition that you have in mind.

Mr. NELSON. Mr. President, will the Senator from Alabama yield to a little interruption?

Mr. UNDERWOOD. Certainly, if I do not yield the floor.

Mr. NELSON. I shall be very brief.

It seems to me the Senator is proceeding to unusual and unnecessary lengths. Granting that the other side of the Chamber are fully justified in preventing the passage of this bill, they certainly are not justified in filibustering when we take up other measures. They ought to be content with defeating this bill; but the remarks of the Senator indicate that unless we withdraw this bill they will defeat everything, and allow nothing to come up.

Mr. UNDERWOOD. To be sure; undoubtedly.

Mr. NELSON. That is wholly unnecessary. You ought to be content if you can defeat this bill, without obstructing the wheels of legislation.

The Senator refers to Speaker Reed's conduct and says that it was necessary to go and see him about getting recognition. It was my fortune to be a Member of the Forty-eighth, Forty-



ninth, and Fiftieth Congresses. The House was Democratic. Carlisle was Speaker. I represented a district of 29 counties. I had no end of local legislation, and every time I wanted to get a little bill through I had to go to Speaker Carlisle and get permission to get recognition.

Why is not the Senator content with defeating this bill, instead of holding out a threat here and saying: "We are not content with defeating this bill, but we want to punish the other side of the Chamber because they advocate the passage of the bill. We want to punish your side and not let you do any kind of business at all." Why not be content, whenever a motion is pending, to take up this bill, with filibustering all you can against it? When we attempt to bring up other legitimate business, why should you filibuster against that? That is the main question. That is in the nature of a reprisal; that is in the nature of a threat unworthy of the Senator from Alabama.

Mr. UNDERWOOD. Mr. President, this is not the first time I have engaged in a filibuster. I thank my friend from Minnesota for his kindly suggestion. We are old-time friends. I once lived as a boy in his State, and one of the great glories that I get out of having lived in Minnesota at one time is that that grand old State is represented in the United States Senate by a very great man whom I love and honor and reverence; but I am not prepared to take his suggestions in all matters, and if my friend will allow me, I will tell him why.

This is not the first time that I have ever engaged in a filibuster. I do not often do it, and I do not intend ever to do it without adequate justification.

Mr. NELSON. Mr. President, will the Senator allow me to interrupt him?

Mr. UNDERWOOD. Certainly.

Mr. NELSON. I do not dispute the Senator's right to have a hold-up on this particular bill. Grant that; but I say, and my contention is, that when you have accomplished that, if you can prevent the passage of this bill, you ought not to stand in the way of other important legislation.

For example, we now have an important nomination pending before the Senate. Two of the judges of our Supreme Court are off the bench. The court needs reinforcement. The committee has reported the nomination of an Associate Justice of the Supreme Court. I ask the Senator from Alabama, for whom I have the highest respect, why is it necessary to hold up the consideration of that matter to defeat this Dyer bill, as it is called?

Mr. UNDERWOOD. I shall be glad to explain it to the Senator.

Mr. NELSON. And why is it necessary to hold up any other public business? We can make an exception in every one of these cases; we can agree to take up public business and go on with it; and when this Dyer bill, as you call it, comes up for consideration filibuster to your heart's content on that bill. I am not quarrelling with you on that point, but I say you have no right to carry your war farther than that. If you do, you are doing an injustice to the American people and the public of this country.

Mr. UNDERWOOD. I am glad to have my friend from Minnesota say that, because I want to answer him and put the record straight. Of course, he understands thoroughly, as I have already said several times, that the minute we can reach an understanding with the other side that this Dyer bill is not going to be considered at this session of Congress, we will co-operate and help to transact all the business coming before us. I am anxious to do it. I am anxious to have the Executive Calendar cleared. I am anxious to see the appropriation bills passed. There may be some other business the other side may bring up, which I may vote against, but I know of nothing the majority are going to bring up which I shall delay unnecessarily, as far as I am individually concerned. I can not speak for everybody, but as far as I am individually concerned, my friends on the other side need expect no delay.

This proposition is fundamental. We regard this bill as a rape of the Constitution. We regard the bill as an infringement of the liberties of our people and the freedom of our State governments, and we feel that we are justified in making any attack on it.

I want to say to the Senator from Minnesota, in all candor, I have no meanness in my soul against any man on the other side of the Chamber. I have a feeling in my heart of the utmost friendship for you all, the kindest feeling, both individually and collectively, and I have no desire to punish you.

Mr. NELSON. Mr. President—

Mr. UNDERWOOD. If the Senator will allow me a moment, I will explain why I do not want anything to come up.

So our action is not in the way of reprisal; but I am not going to punish the gentlemen on this side and let those on

the other side go without their share of punishment. If we agree that we are merely going to fight the Dyer bill, and let the majority lay it aside and transact such business as they want to transact, they will have it as a bumper against anything we may want to do. We will be gagged and stopped from any work during the session, and they can go ahead with what their leadership determines is business of prime importance; and therefore we will be the only ones to get the crushing. They will only have to keep the Dyer bill here as a bumper against other legislation, and put through what they think is necessary during the session. They are not going to do it in that way.

Mr. NELSON. Mr. President, will the Senator yield to me?

Mr. UNDERWOOD. Certainly.

Mr. NELSON. Let us see what an attitude the Senator from Alabama presents. Here I am, a "black" Republican from the State of Minnesota. I am trying to get a Democratic justice of the Supreme Court confirmed, and just because of this Dyer bill the Senator intimates that that shall not be done.

Mr. UNDERWOOD. I do not say it can not be done. Perhaps the other side can do it; but they are going to do it against any efforts we can make.

Mr. NELSON. What connection has that with the Dyer bill? Can not the Democrats continue their filibuster on the Dyer bill and make an exception and let us go ahead with executive business? My point is that the Dyer bill can be held up the whole session without obstructing public business. There is no occasion to obstruct the legitimate public business for the purpose of defeating that one bill. I am not taking any issue with the Senator from his standpoint. He probably is justified in fighting that bill. Grant that. But he is not justified in continuing his obstructive tactics in respect to every other matter of public business.

Our Supreme Court is now partly incapacitated for need of a working force. We need an additional justice. We in the State of Minnesota would have been glad if the President had tendered a Republican nominee, but the President has not seen fit to do that; he has tendered one of the best Democratic lawyers in the country. He will be one of the best judges in the country, and I am anxious to see him confirmed. There is no reason why the Senator from Alabama should obstruct that matter in his desire to defeat the Dyer bill.

Mr. UNDERWOOD. Mr. President, I love the Senator from Minnesota so much, and have loved him so long, that if I were disposed to make an exception for anybody, I would make it for the senior Senator from Minnesota; but I am not so disposed. So far as the nomination of the distinguished lawyer from Minnesota for a place on the Supreme Court bench is concerned, I think the President acted splendidly in appointing a Democrat to that vacancy, and, of course, it is not that we desire for a moment to interfere with an appointment of that kind that we are pursuing these tactics; but when we are following this kind of tactics we can not make exceptions.

Some gentlemen whom I see on the other side of the Chamber, who have served with men in both Houses for many years, probably recall an incident which happened about 20 years ago, when a gentleman by the name of Jim Butler was commissioned as a Congressman from the State of Missouri. The Republican side of the House had turned him out once, but the people sent him back. He was reelected and sent back, and it was a short session. They took the testimony in the case, and when it came in it would make a large volume. The Republican committee declined either to print the testimony or to read it, and started to turn Butler out, and did turn him out, without either printing or reading the testimony. I happened to be on the Rules Committee of the House with Mr. Richardson at that time, and the Republican side did no business for about three weeks. That was when they adopted their famous rule to pass appropriation bills and agree to the amendments en bloc. What was the result? They never have turned another man out of the House of Representatives without printing the testimony and giving his case fair and reasonable consideration. The practice of making a man walk the plank with a black flag stopped after that time.

This is not the first time a "force" bill has come before the Senate of the United States.

The VICE PRESIDENT. The Chair is ready to rule on the point of order, unless the Senator wishes to say something more.

Mr. UNDERWOOD. If the Vice President will allow me just to finish the sentence, I will stop. This is not the first time a "force" bill has come before the Senate of the United States. Such a bill has always met the opposition this one is meeting now, and such bills are going to meet that opposition, and the other side of the Chamber may as well recognize it. It is not with any animosity that we say that, but it is fundamental to



us. We can not make anything by just letting the other side dillydally with it and pass their other legislation. The only way we can fight it and make the majority understand we are fighting it, and let the country understand we will always fight such a measure, is to simply obstruct legislation until we come to an understanding about it.

Mr. KELLOGG. Will the Senator yield?

Mr. UNDERWOOD. I yield.

Mr. KELLOGG. Suppose the shipping bill comes before the Senate, is the Senator going to take the same position, that there will be no business done until that is laid aside?

Mr. UNDERWOOD. I can speak for no one but myself, but so far as I am concerned, I shall not attempt in any way to obstruct that legislation. I want to say to the Senator that I have always believed in a merchant marine. I have never voted for a subsidy, and I will probably not vote for a subsidy this time, although I am not committed, and do not want to commit myself on that question until I hear all the arguments; but I should be very glad to see a bill go through the Senate which would build up an American merchant marine, and let it live. But I can assure the Senator that so far as I am concerned, he will find no obstructive tactics on my part against that bill, even if the other side presents it in such a way that I can not give my affirmative vote for it. I may, and probably shall, have to vote against it, but I shall not obstruct it, because it is a legitimate piece of business legislation. This is a very different thing. This is not business legislation. We regard this proposition as fundamental, going to the freedom of our State governments and the liberties of our people. We would not feel justified in making a fight of this kind against a mere matter of spending dollars. It is a very different proposition.

I thank the Vice President for his courtesy.

Mr. HARRISON. Mr. President, does the Presiding Officer desire to rule without hearing more with respect to this question?

The VICE PRESIDENT. The Chair is ready to make a ruling.

Mr. HARRISON. I wanted to call to the Chair's attention the issues which we fought out in past elections, and I can read some utterances of some very distinguished citizens, representatives of the State of Massachusetts, who fought "Reedism" and "Cannonism," which is one of the questions here. I desired to call the attention of the Chair to the fact, too, that some of the Senators who are now trying to get the Chair to rule in an autocratic way were at that time particeps criminis to the proceedings which were afterwards condemned by the American people. Of course, if the Chair does not desire to hear the utterances of some very distinguished Republicans touching the autocratic rules of the House, upon which this decision is based, then, of course, I do not want to take up the time of the Presiding Officer and the Senate, but I have the textbook of the Republican Party here, and the campaign textbook of the Democratic Party for the years 1908 and 1910, when this issue was fought out before the American people and was overwhelmingly condemned by them, what was condemned would seem to me out of keeping with the trend of the day and the 7,000,000 majority which the Vice President received, with the present President of the United States, on what was apparently not a reactionary platform but on a platform of liberal views. Of course, if the Presiding Officer does not desire to hear these read I do not want to burden him.

The VICE PRESIDENT. The Chair is ready to make a ruling. The Chair thinks the Senator from Mississippi may presume that the Chair is familiar with those things to which the Senator from Mississippi would like to direct the attention of the Chair.

We are proceeding under Rule III, which provides for the commencement of the daily sessions of the Senate. It is as follows:

The Presiding Officer having taken the chair, and a quorum being present, the Journal of the preceding day shall be read, and any mistake made in the entries corrected. The reading of the Journal shall not be suspended unless by unanimous consent.

The Chair is of the opinion that that rule covers the present situation, that nothing but unanimous consent can suspend the reading of the Journal. The Chair therefore rules that the point of order is well taken.

Mr. UNDERWOOD. Mr. President, I appeal from the ruling of the Chair. I wish to say that I do not question that if the status were as the Chair indicates, the Chair would be right; that if we had once entered upon the reading of the Journal nothing could interrupt it except unanimous consent. Rule III applies only to the reading of the Journal, but we have not reached that stage. The Journal has not yet been presented to the Chamber; it is not open for consideration; and, therefore,

I do not agree with the Chair that we can not adjourn before the Journal is read.

On my appeal I ask for the yeas and nays.

Mr. JONES of Washington. What is the question, Mr. President?

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the decision of the Senate?

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). I have a general pair with the Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the Senator from California [Mr. JOHNSON] and vote "yea."

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. BALL]. I am advised that he is absent. Being unable to obtain a transfer I withhold my vote.

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the junior Senator from Delaware [Mr. BAYARD] and vote "nay."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from South Dakota [Mr. NORBECK]. I will let this announcement of transfer stand during this calendar day. I vote "yea."

Mr. STANLEY (when his name was called). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the junior Senator from New Mexico [Mr. BURSUM] and vote "yea."

Mr. FLETCHER (when Mr. TRAMMELL's name was called). I desire to announce that my colleague [Mr. TRAMMELL] is unavoidably absent and that he is paired with the Senator from Rhode Island [Mr. COLT]. I ask that this announcement may stand for the day.

Mr. WATSON (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Arizona [Mr. CAMERON] and vote "yea."

The roll call was concluded.

Mr. BROUSSARD. I am paired with the Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the Senator from Arizona [Mr. ASHURST] and vote "nay."

Mr. FLETCHER. I transfer the pair which I have heretofore announced to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. HALE. Transferring my pair with the Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Nevada [Mr. ODDIE], I vote "yea."

Mr. CURTIS. I wish to announce that the senior Senator from Delaware [Mr. BALL] is detained on official business. He stands paired on this vote with the Senator from Rhode Island [Mr. GERRY].

I wish also to announce that the Senator from Illinois [Mr. McCORMICK] is paired with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 41, nays 24, as follows:

#### YEAS—41.

Calder	Ladd	Pepper	Sutherland
Capper	Lodge	Philpotts	Townsend
Curtis	McCumber	Poinexter	Wadsworth
Edge	McKinley	Pomerene	Walsh, Mass.
Elkins	McLean	Rawson	Warren
France	McNary	Reed, Pa.	Watson
Frelinghuysen	Nelson	Shortridge	Weller
Gooding	New	Smoot	Willis
Hale	Nicholson	Spencer	
Kellogg	Norris	Stanfield	
Keyes	Page	Sterling	

#### NAYS—24.

Broussard	Glass	McKellar	Simmons
Caraway	Harris	Myers	Smith
Culberson	Harrison	Overman	Stanley
Dial	Heflin	Pittman	Swanson
Fletcher	Hitchcock	Ransdell	Underwood
George	Jones, Wash.	Sheppard	Walsh, Mont.

#### NOT VOTING—30.

Ashurst	Cummins	Kendrick	Owen
Ball	Dillingham	King	Reed, Mo.
Bayard	Ernst	La Follette	Robinson
Borah	Fernald	Lenroot	Shields
Brandeggee	Gerry	McCormick	Trammell
Bursum	Harrell	Moses	Williams
Cameron	Johnson	Norbeck	
Colt	Jones, N. Mex.	Oddie	

So the Senate decided that the decision of the Chair should stand as the judgment of the Senate.



## THE JOURNAL.

The VICE PRESIDENT. The Secretary will read the Journal.

The Assistant Secretary proceeded to read the Journal of yesterday's proceedings.

Mr. CURTIS. I ask unanimous consent to dispense with the further reading of the Journal.

Mr. McKELLAR. I object.

The VICE PRESIDENT. There is objection, and the Journal will be read.

The Assistant Secretary resumed and concluded the reading of the Journal.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). The question is, Shall the Journal be approved?

Mr. HARRISON. Mr. President, very much to my surprise, I notice that the Journal omits a very important part of the proceedings of yesterday. It does not incorporate the prayer by Rev. J. J. Muir as it appears on page 325 of the CONGRESSIONAL RECORD. I therefore make the motion that the Journal be amended so that at the proper place it may show who delivered the prayer and set out the prayer in full.

Mr. CURTIS. Mr. President, if the Senator has concluded his motion, I desire to make a point of order.

Mr. HARRISON. I desire to discuss the motion.

Mr. CURTIS. Then I desire to make a point of order when the Senator shall have concluded.

Mr. OVERMAN. If the motion is going to be discussed, there ought to be a quorum here; and I make the point of no quorum.

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. OVERMAN. But I can rise to suggest the absence of a quorum at any time, no matter who has the floor.

The PRESIDING OFFICER. The Chair thinks so.

Mr. OVERMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Bayard	Gooding	Myers	Smoot
Borah	Hale	New	Spencer
Brandeggee	Harris	Nicholson	Stanfield
Broussard	Heflin	Norris	Sterling
Calder	Jones, Wash.	Overman	Sutherland
Capper	Kellogg	Page	Swanson
Caraway	Keyes	Pepper	Townsend
Curtis	Ladd	Phipps	Wadsworth
Dial	La Follette	Pittman	Walsh, Mass.
Edge	Lodge	Ransdell	Warren
Elkins	McCumber	Reed, Pa.	Watson
Fletcher	McKellar	Sheppard	Weller
Frelinghuysen	McLean	Shortridge	Willis
George	McNary	Smith	

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum is present. The Senator from Mississippi has the floor.

Mr. SMITH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Carolina?

Mr. HARRISON. I do not wish to lose the floor.

Mr. SMITH. I move that the Senate adjourn.

The PRESIDING OFFICER. Does the Senator from Mississippi yield the floor?

Mr. HARRISON. I do not want to lose the floor.

Mr. SMITH. I make a motion, Mr. President.

The PRESIDING OFFICER. The Senator can not make a motion while the Senator from Mississippi holds the floor.

Mr. HARRISON. Mr. President, a parliamentary inquiry. If I should yield for that motion, would I lose the floor?

The PRESIDING OFFICER. The Senator would.

Mr. HARRISON. Then, I will ask the Senator from South Carolina to withhold his motion for a few moments.

Mr. SMITH. I withhold the motion.

Mr. HARRISON. I inquire of the Senator from Kansas if he now wishes to make a point of order?

Mr. CURTIS. No; I do not intend to make a point of order on the pending motion.

Mr. HARRISON. I desire to address myself to the motion.

Mr. President, I had always thought that the prayer of the Chaplain of the Senate was a part of the Journal, but in the proceedings of yesterday as they appear in the Journal which has just been read I observe that no mention is made of the fact that there was prayer at the opening of the Senate on that day. I suppose other Senators were just as much surprised as I was to find that no mention of that fact was made in the Journal. I am casting no reflection upon the very efficient Journal clerk when I make that observation, because it

may have been the policy of the past. I have not looked over the Journals, and perhaps he was just following the precedent. If it has been the practice there never was a better time to adopt a different practice than to-day.

I presume that the vote here will be unanimous for my motion to incorporate the prayer in the Journal. One might argue that it is in the CONGRESSIONAL RECORD, and that will do. CONGRESSIONAL RECORDS are destroyed. The Journal is the official document to preserve the proceedings of this body. All the CONGRESSIONAL RECORDS may in time vanish, but the Journal will be preserved, and always should record what takes place in this body.

What if a hundred years from now your great-great-grandchildren should look over the Journal of yesterday and discover that no mention is made of the fact that there was prayer yesterday in opening this body, and then they should take the proceedings of the following day, as they will appear in the Journal to-morrow, and should read that their great-great-grandfathers voted against my motion to amend the Journal so that the prayer might be incorporated in the Journal? Why, those children of to-morrow would hang their heads in shame over the action of their ancestors. So we must change this policy, if it has been a policy, and start a new one to-day, so that the record of this body that is to be handed down to future generations will reveal the fact that we had prayer in opening this august body.

I have not made my motion merely to apply to the fact that there was prayer, but I have gone further than that, because generations to come should know who delivered the prayer; and so the amendment gives the name of the chaplain who on yesterday offered prayer. The only excuse that could possibly be given by any Senator for voting against my motion is that he is disgusted over the proceedings of yesterday, and that it is such an outrageous piece of legislative monstrosity that the majority is attempting to put over on the country and their methods are so high-handed that they do not think any prayer should be connected with the proceedings of yesterday. If that is the excuse that some Senators may offer for voting against my motion, then well and good; but it is the only one that could be concocted in the fertile mind of any of my friends over on the other side.

Of course I know that the policy of this body has become autocratic. There are some Senators here who were once Progressives and led in progressive movements, and some who were willing to style themselves Bull Moosers—a name which in those days was the synonym of progressive action upon the part of the representatives of the people—but you have changed from that policy and gone back to the old reactionary days of Thomas B. Reed. He was a wise man; he was an able statesman; he was a great apostle of Republican principles; but everyone knows, and history records the fact, that with but one exception the greatest autocrat who ever occupied the chair of Speaker of the House of Representatives was the distinguished ex-Speaker, Thomas B. Reed. He ruled with an iron hand. He wielded a power in that body that destroyed legislation when he willed it or passed it when he directed that it should be passed. In those days he was part of the Rules Committee. Five Representatives in that body composed the Rules Committee, and one of the men on the Rules Committee was the Speaker of the House. Mr. Reed was a part of the Rules Committee, and that committee was more autocratic—and when I say that I am condemning it with all the force I can command—than the steering committee of the Republican majority in this body to-day.

Its actions in legislative matters brought upon the heads of its members and upon the head of the Republican Party the condemnation of the American people. Reedism became an issue from one end of this country to the other. Every campaign orator employed it. You could hardly find representatives of the Republican Party in the western country who believed in progressive principles who would defend it, but enough of the Republican majority were for it to continue it in practice for a while. Why, Cannonism was but the successor to Reedism. Cannonism was fought out a few years later. My distinguished friend from Ohio, the present junior Senator from Ohio [Mr. WILLIS] made speeches, but I have not any idea that he defended Cannonism, although no doubt in that campaign he blew hot and cold, and it was a proposition that politicians were a little afraid to touch.

I am looking now into the face of a Senator, the distinguished junior Senator from Nebraska [Mr. NORRIS], who perhaps had more to do with the overthrow of Cannonism in this country than any other individual in America. He was a Member of the House. He believed in progressive principles. He believed in the liberality of rules. He was against autocracy



and one-man domination, and he led a fight over there. He was helped by the Democratic minority of the House of Representatives in those days. He had but few members of his own party to unite with him, but they were sufficient in numbers, with the Democratic minority, to drive the Speaker of the House of Representatives from his high position and cause him to relinquish that high post. I congratulate him for the great fight he made in those days.

Here we are confronted with a decision of Thomas B. Reed, delivered back there in those reactionary days, when he was voicing the sentiments of reactionism, when he was delivering opinions carrying out the autocratic policies of the House of Representatives as controlled by the then Republican leaders. I do not know whether my friend the distinguished senior Senator from Kansas [Mr. CURTIS] was in the House in those days or not, but he had to fight out in the State of Kansas some years ago this Cannonism issue, this Thomas B. Reedism proposition. He had to do it, because he had fallen into the clutches of the thing in the House of Representatives; and whatever you may say against the distinguished senior Senator from Kansas, you know he is always one of the cogs in the wheels that move the machinery of legislation in any legislative body of which he may be a member, and he was one of the cogs over there in the House in those days when Cannonism and Reedism afflicted this country. But even though he may still indorse his position then and defend his allegiance to Reedism and Cannonism, I serve notice upon him now that he can not revive those old autocratic ways in a popular branch of the Congress of the United States. He may by his eloquence and popularity and pleasing ways and qualities of leadership carry his crowd temporarily astray, as he did this morning, but that is just for the time being. When these men who have sworn allegiance to progressive principles read in the Record to-morrow what they did to-day when they indorsed the action of the Vice President in holding that a motion to adjourn the Senate was not in order they will repent in sackcloth and ashes. So I am not going to accept the movements of my friend this morning as indicating that it will be the future practice of this body to go back to the old days of Reedism and Cannonism.

I hold here some pieces of American literature that will live throughout time. One is the Democratic Campaign Textbook of 1908. The other is the Democratic Campaign Textbook of 1910. I know that Senators in my presence are familiar with almost every line and every clause of them, because in those days you had to familiarize yourselves with their passages in order to combat them before the American people, and some of you, because you did try to answer them, fell by the wayside just temporarily; but that is the way the American people do. When you do not act right they will spank you, and then when you get right and can persuade them with your promises that you are really going to carry out their wishes they may forgive you and let you come back again.

Mr. NEW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. HARRISON. I do.

Mr. NEW. The Senator from Mississippi spoke of the volumes which he presents there as romantic in character. I merely rose to inquire if he is presenting them as samples of romance?

Mr. HARRISON. They are romantic in a sense, for once in a while Republican papers become romantic and tell the truth; and I am going to read some of the passages that happened to find their way into the Democratic Campaign Textbook of 1908 that were taken from some Republican literature, and for once these Republican papers told the truth.

For instance, this campaign textbook says:

The shadow of JOE CANNON—

A splendid, fine, stalwart, true American, one whom I am sure, without respect to political parties, we are all sorry to see voluntarily retire from public life. Socially and personally we all love him, but he represented, back in those days, what Reed had represented before—principles that were obnoxious to the American electorate.

I am sorry the Vice President is not in the Chamber. Of course, I do not reflect upon the distinguished senior Senator from Washington [Mr. JONES of Washington in the chair] when I make that statement, because there is no better presiding officer anywhere than the distinguished senior Senator from Washington. He is always fair and courageous and decisive. He has perhaps less of autocracy about him as a presiding officer than any Member on the other side of the aisle. He sometimes votes with the Democrats, and when he does he is always right, and the only time he is ever wrong is when he does not take our advice.

But getting back to the question, I am sorry the Vice President, who made the ruling a few moments ago, is not in the chair, because I wanted to read this to him. He was elected by 7,000,000 majority—many of whom, of course, and more, were sorry for it afterwards—because the voters thought he would not wield an autocratic power, but that he would carry out the liberal campaign pledges of his party. He had presided over the Senate of the State of Massachusetts. He made a splendid record up there, but he never displayed any autocracy in those days. In fact, I have never seen him exhibit it here until to-day, and it was perhaps perfectly excusable, because he fell under the bewitching wand and influence of the distinguished senior Senator from Kansas [Mr. CURTIS]. I almost have to catch myself sometimes for fear that I will fall under it; he is so entrancing and bewitching and amiable. But the idea, in this progressive day when autocrats are being driven from power, of anyone in this body beginning to use that kind of a javelin again!

I find here an editorial from the Odebolt (Iowa) Chronicle. Iowa is still progressive, always has been progressive, is known as one of the most progressive States in the Union, and I know that no one within the sound of my voice would take issue with me in the statement that the State of Iowa is progressive.

I read from a Republican paper of that progressive State a statement about "Cannonism" and "Reedism," which my friend from Kansas, one of the great leaders on the other side of the aisle, is attempting to foist upon this body again. If this Republican paper speaks disrespectfully of my good friend, JOE CANNON, I shall not indorse it. I would not even read anything that was disrespectful of him. I am merely employing it as an argument against the system the majority is attempting again to put in one of the high places of this Government. This editorial says:

Is JOE CANNON to be conceded the speakership in the event of the Republicans carrying the House at the coming election?

That is what this Republican paper says.

This is a pertinent question. Upon the reply, or failure to reply, hang enough votes to determine the election of a President.

Let us treat CANNON charitably, if you will, as charitably as his best friends would treat him, and what must be said of him?

He is the most inveterate foe of Roosevelt policies—

I shall not discuss that part of it. I will drop a little.

What happened during the last session of Congress? Under an abominable system which began with Tom Reed, and was later reduced to a science by CANNON, the Speaker of the House played the part of an autocrat.

Could I have a better witness to prove that that was a part of the system that the Republican press of the country, in those days, built as a species of autocracy that could not be defended? These utterances have not been this soon forgotten, and this has been 10 or 12 years ago. If they have lived this long, they will probably live longer. Yet my friend the Senator from Kansas is trying to invoke a practice here which was condemned by a great Republican paper just over the border in the State of Iowa, likening the Cannon tactics to the Tom Reed tactics, and the action of my friend this morning is merely an indorsement of the old tactics of Reed and CANNON.

I did not finish this article. I will read more of it:

Nero's fiat was never more absolute than CANNON's decision for or against legislation. When Roosevelt recommended legislation with the approval of nine-tenths of the votes of this country, CANNON tilted his cigar and tersely announced that he opposed it and therefore it could not be considered. When it was absolutely certain that a majority of the members of both parties in the House and Senate desired the passage of a bill abolishing duties on wood pulp and printing paper—

Mr. CURTIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Kansas?

Mr. HARRISON. Always.

Mr. CURTIS. Does not the Senator know that his side is trying to do now just what that paper charged that CANNON tried to do—that is, prevent legislation?

Mr. HARRISON. No; we are discussing propositions which are of great moment to the American people. We are fighting a revival of autocratic methods in this body, and I thought I was making a very eloquent speech against it.

Mr. CURTIS. I want to state to the Senator that I believe if the Senate would adopt rules which would shut off dilatory motions and shut off debate not directed to the subject before the Senate, adopting rules by which we could go on and do business, it would be applauded by every paper, Republican and Democratic, from coast to coast and from the South to the Lakes.

Mr. HARRISON. Mr. President, if I have accomplished nothing else, I have caused the opinion of the Senator from Kansas to be changed. I am glad he is coming around to my way of



thinking and becoming a liberal in this body. I accept the apology of the distinguished Senator from Kansas.

In this same remarkable campaign textbook I find this:

How the Speaker controls the House.

I am going to read it, so that we can refresh our memory of those days. It reads:

It is because of the rules of the House and the autocratic disposition of the Speaker that the will of the people is not carried out in legislation.

The Speaker is permitted to name all the committees in the House. He designates as chairman of each committee a man who will follow his direction and control, as nearly as may be, the action of the committee in all matters submitted to it. The Speaker expects the chairman to see to it that no bill is reported from the committee that does not meet the Speaker's approval.

Here is what a Republican said about it, a great progressive Representative from the State of Wisconsin. If it was not good, it would not be in this book. This is the statement of Mr. COOPER of Wisconsin, who now graces a seat in the other body, one of the oldest Members in the House of Representatives in point of service. Of course, he never would allow himself to be shackled by those who controlled the leadership of that body. He always spoke out and declared himself, and this is one of his memorable utterances, and he received the indorsement of his people. He said:

I agree with the gentleman from Mississippi—

Mr. WILLIAMS had then spoken—

that there is altogether too much power concentrated in the Speaker of the House of Representatives. It is more power, gentlemen, than ought to be given any man in any government that pretends to be republican in form and democratic in spirit.

It was such utterances as these upon the part of progressive Republicans, together with the great fight made by the united democracy of the country, that forced Cannonism from its high place in the Government service and created a system over there in the House under which the committee on committees makes the appointments on committees and under which this committee is chosen, not by the Speaker but is elected by all the representatives of the American people.

It is not out of place for me to say that it was only after the fight led by the present distinguished Senator from Nebraska [Mr. NORRIS] and my friend here, the leader of the Democrats to-day in the Senate, the senior Senator from Alabama [Mr. UNDERWOOD], and other distinguished Democratic Senators on this floor and in the country, who were then Members of that body, that we drove from power Cannonism, which meant nothing more or less than "Reedism," and as soon as they took control they took away from the Speaker the power to name committees, and the Representatives selected a committee to make the appointments to the various committees in the House. It was such a progressive movement upon the part of the representatives of the American people that the Republicans adopted our tactics and followed our procedure, and the practice has worked so well that it still holds good in the House of Representatives.

I can show how practically the same thing has been done in this body. The old order of things, the autocracy holding high places and dominating the proceedings of the Senate, has been changed and the Senators elect for themselves the committees to transact the public business. We had thought that gag rules and "Reedism" and "Cannonism" and autocracy had been dethroned, but when such a leader as the distinguished Senator from Kansas, who is recognized not only in this body but throughout the country as one of the spokesmen for the majority in matters of procedure and legislation, takes the position he did this morning, to try to resurrect and revive "Reedism" in this body and through his charming eloquence persuades the Presiding Officer to rule as he did, then it behooves some of us to speak out and give notice to the American people what is about to happen again.

I can read many other very convincing statements from this book. For instance, it is said on this page:

The way to get rid of Cannonism is to get rid of CANNON.

It says, however—Mr. Busby, private secretary to Speaker CANNON, is quoted. He knows, and this campaign textbook quotes from Mr. Busby. Let us see what he says about Cannonism. I do not think I have read this, so it is going to be information to me as well as to my friend from Kansas:

As a final stroke the chairman said: "Then, Mr. Speaker, this bill is to fail by the will of one man, who is in the chair by our votes. We have no redress from this one-man power." "Yes, you have," replied the Speaker.

He was talking about Speaker CANNON then.

You have a way to pass your bill. You placed me in the chair to shoulder the responsibility of the legislation here enacted. In my view I can not assume the responsibility for this bill. You can elect a new Speaker to-day and pass your bill, if you can find one who will accept that responsibility; but if you leave me in the chair that bill will not become a law.

Mr. Busby, private secretary to Mr. CANNON in those days, was relating an incident between one Member of the House and the Speaker of the House touching the passage of legislation. That was the way autocracy enshrouded itself during the days of Reedism and Cannonism.

Now, Mr. President, the hour of 2 o'clock has arrived, much to my regret, because I wanted to read some other interesting passages, which I am sure the country, if not Senators on the other side, would be interested in hearing. Here Senators are trying to storm a fortress and pass what they say is a great and important piece of legislation, so that they can go back to the colored population in their respective States and say, "Look what we did." Yet, as I now scan the other side of the Chamber, I see 54 vacant seats over there which ought to be occupied by 54 Republican Senators, all of whom will try to make their constituents believe they were doing all in their power to enact the bill into law. Here the issue is before the Senate, and 54 of them have deserted their posts and refused to stay here and join hands with the 3 on the other side who are here to pass legislation—4, I should say, because I did not count the Presiding Officer. If their constituencies, who are interested, as Senators on the other side believe, in this proposed legislation, should look down from the galleries now on the other side of the aisle and see the 54 vacant seats of their 54 Senators who are away from duty when this important matter is being considered, they would be humiliated as well as disgusted.

I ask for the yeas and nays on the important amendment which I have offered and which I want to state again, so there will be no confusion about it.

Mr. CURTIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Kansas?

Mr. HARRISON. Certainly.

Mr. CURTIS. If the Senator would ask unanimous consent, there would be no objection to amending the Journal as he suggests.

Mr. HARRISON. But I want to put Senators on record to see if there is a single Senator who will vote against incorporating in the Journal, the record of this body, the fact that we had prayer yesterday, even though the proceedings may be obnoxious and humiliating.

On my motion I ask for the yeas and nays.

Mr. UNDERWOOD. If the Senator will allow me, there is not a quorum present. I think a quorum should be here to vote on the important proposition. I make the point of order that there is no quorum present.

The PRESIDING OFFICER. There has been no business transacted since the last call for a quorum was made.

Mr. UNDERWOOD. I think that is very unfortunate, because there are so few here, but we will ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Mississippi moves an amendment of the Journal in the manner designated by him, and the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). I am paired with the Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. On this matter I am not informed as to how he would vote, so I withhold my vote.

Mr. STANLEY (when his name was called). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. WATSON (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "yea."

The roll call was concluded.

Mr. GLASS. Transferring my pair to the junior Senator from Rhode Island [Mr. GERRY], I vote "yea."

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Nevada [Mr. ODDIE] and vote "yea."

The result was announced—yeas 49, nays 8, as follows:

YEAS—49.

Ball	Caraway	Elkins	Glass
Broussard	Curtis	Fletcher	Gooding
Capper	Dial	France	Hale



Harreld	McLean	Rawson	Sutherland
Harris	McNary	Reed, Mo.	Townsend
Harrison	Nelson	Reed, Pa.	Underwood
Heflin	New	Sheppard	Warren
Jones, Wash.	Nicholson	Simmons	Watson
Ladd	Page	Smith	Weller
La Follette	Pepper	Smoot	Willis
Lodge	Pittman	Spencer	
McKellar	PoinDEXter	Stanfield	
McKinley	Ransdell	Stanley	

## NAYS—8.

Cummins	Kellogg	Philps	Wadsworth
Frelinghuysen	Norris	Sterling	Walsh, Mont.

## NOT VOTING—38.

Ashurst	Edge	King	Pomerene
Bayard	Ernst	Lenroot	Robinson
Borah	Fernald	McCormick	Shields
Brandeggee	George	McCumber	Shortridge
Bursum	Gerry	Moses	Swanson
Calder	Hitchcock	Myers	Trammell
Cameron	Johnson	Norbeck	Walsh, Mass.
Cott	Jones, N. Mex.	Oddie	Williams
Culberson	Kendrick	Overman	
Dillingham	Keyes	Owen	

So Mr. HARRISON's motion to amend the Journal was agreed to.

Mr. UNDERWOOD. I move that when the Senate adjourn to-day it be to meet on Friday next at 12 o'clock noon, and on that motion I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BROUSSARD (when his name was called). Making the same announcement as before, I vote "yea."

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. Not knowing how he would vote on this question if present, I am obliged to withhold my vote.

Mr. GLASS (when his name was called). I transfer my pair with the Senator from Vermont [Mr. DELINGHAM] to the Senator from Louisiana [Mr. RANDELL] and vote "yea."

Mr. STANLEY (when his name was called). Making the same announcement as to my pair and its transfer as on the previous ballot, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "nay."

Mr. WATSON (when his name was called). Making the same announcement as heretofore with regard to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. HALE. Making the same announcement as heretofore with regard to my pair and its transfer, I vote "nay."

Mr. EDGE (after having voted in the negative). I transfer my regular pair with the Senator from Oklahoma [Mr. OWEN] to the senior Senator from California [Mr. JOHNSON], and allow my vote to stand.

The result was announced—yeas, 28; nays, 35—as follows:

## YEAS—28.

Bayard	Glass	Myers	Simmons
Broussard	Harris	Norris	Smith
Caraway	Harrison	Overman	Stanley
Cummins	Heflin	Pittman	Swanson
Dial	Hitchcock	Pomerene	Underwood
George	Ladd	Reed, Mo.	Walsh, Mass.
Gerry	McKellar	Sheppard	Walsh, Mont.

## NAYS—35.

Ball	Lodge	Pepper	Sterling
Brandeggee	McCumber	Philps	Sutherland
Curtis	McKinley	PoinDEXter	Townsend
Edge	McLean	Rawson	Wadsworth
Frelinghuysen	McNary	Reed, Pa.	Warren
Hale	Nelson	Shortridge	Watson
Harreld	New	Smoot	Weller
Jones, Wash.	Nicholson	Spencer	Willis
Kellogg	Page	Stanfield	

## NOT VOTING—32.

Ashurst	Dillingham	Jones, N. Mex.	Norbeck
Borah	Elkins	Kendrick	Oddie
Bursum	Ernst	Keyes	Owen
Calder	Fernald	King	Ransdell
Cameron	Fletcher	La Follette	Robinson
Capper	France	Lenroot	Shields
Cott	Gooding	McCormick	Trammell
Culberson	Johnson	Moses	Williams

So the Senate refused to adjourn until Friday next.

Mr. HARRISON. Mr. President, I note that the Journal of yesterday states at the beginning that the Vice President being absent the President pro tempore took the chair. The next mention of the occupant of the chair is that the Vice President resumed the chair immediately before a vote was taken. The Journal, however, does not state exactly at what time the Vice President resumed the chair or when the President pro tempore of the Senate relinquished the chair. It is most important that the Journal should state just when the Vice President took the chair and when the President pro tempore relinquished the chair. So I move that the Journal be amended

to show that fact; and on that motion I ask for the yeas and nays.

The VICE PRESIDENT. The Chair does not exactly understand what the motion is.

Mr. HARRISON. I am sorry that I did not express myself more clearly.

The VICE PRESIDENT. What does the Senator move that the Senate shall do?

Mr. HARRISON. Although the Journal did not show that a prayer was delivered, the Senate has very wisely agreed to insert the prayer; but it does show that, the Vice President being absent, the President pro tempore took the chair. That is splendid; that is fine. The Journal proceeds to the point where a vote was taken and it shows that the Vice President was then in the chair; but the Journal does not show just when the Vice President took the chair and when the President pro tempore relinquished the chair. That fact is very important and should be noted in the Journal.

The VICE PRESIDENT. What does the Senator move?

Mr. HARRISON. I have moved that the Journal be amended so that the exact time, as far, of course, as human frailties can ascertain it, be placed in the Journal when the Vice President assumed the chair.

Mr. POINDEXTER. Mr. President.—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. I yield to the Senator.

Mr. POINDEXTER. I ask unanimous consent that the correction of the Journal suggested by the Senator from Mississippi be made.

Mr. McKELLAR. I object.

Mr. HARRISON. Mr. President, the force of the suggestion I am making is demonstrated when a Senator on the other side reinforces my argument and speaks in behalf of the amendment which I seek to make to the Journal. So I ask for the yeas and nays upon the amendment.

The VICE PRESIDENT. The Chair is unable to state the motion.

Mr. HARRISON. Perhaps the Secretary may be able to state it. He probably understands it thoroughly. I thought I explained it satisfactorily.

The VICE PRESIDENT. The Chair may be in error; but the Chair assumes that when a Senator moves to amend the Journal he has to state what changes he wishes to have made in the Journal.

Mr. HARRISON. I will make the motion in this way: That somewhere in the Journal between the place where it states that the Vice President was absent and the President pro tempore was in the chair and the place where it states that the Vice President resumed the chair, it shall state "at approximately 1 o'clock"—because the Journal should speak accurately; and I recall yesterday it was somewhere about that time when the Vice President took the chair—"at approximately 1 o'clock p. m. the Vice President came into the Senate Chamber and took the chair."

The VICE PRESIDENT. On this question the yeas and nays have been requested and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. WILLIS. Mr. President, I desire to be heard.

Mr. HARRISON. A point of order, Mr. President. The roll call has been started.

Mr. TOWNSEND. I submit that there has been no response.

The VICE PRESIDENT. The Chair will have to rule that there has been no response. The Senator from Ohio has the floor.

Mr. WILLIS. Mr. President, I certainly shall not lend myself to the filibuster against the antilynching bill which has been going on here for a couple of days, and therefore shall occupy but a very few minutes; but I want, in the time I am on my feet, to call the attention of the country, so far as I may, to the situation as it now confronts the Senate.

My experience here has been very limited; but so far as my observation goes, and so far as my reading of history has gone, it has not disclosed heretofore in the parliamentary history of this country such a situation as is now presented.

In order that the Record may contain for convenient reference in one place the statements that were made by the distinguished leader on the other side, I propose to read some of the things that he said yesterday. Before I do that, I want to commend him for his entire frankness. The same thing could not be said of all of those who are filibustering to prevent a vote on the Dyer antilynching bill. The leader, the Senator from Alabama [Mr. UNDERWOOD], was perfectly frank. He announced that it was a filibuster, announced what the purpose

of it was, and stated that he and his party assumed full responsibility for it. That frankness is characteristic of the Senator, and certainly is most commendable.

He said, in part, yesterday:

We are not disguising what is being done on this side of the Chamber. It must be apparent, not only to the Senate but to the country, that an effort is being made to prevent the consideration of a certain bill, and I want to be perfectly candid about it. The bill is known in the RECORD as the Dyer bill, I believe; I have forgotten its number.

Then the Senator went on with his usual clarity and eloquence to state that which nobody doubted, that he was, of course, opposed to mob violence.

Then, farther down, he says:

I think that if the bill became a law it would threaten the very fabric of our Government, and it is not going to become a law at this session of Congress.

I do not say that captiously. I think all men here know that under the rules of the Senate when 15 or 20 or 25 men say that you can not pass a certain bill, it can not be passed. You could not pass your tariff bill last summer until we agreed to vote on it, and you are not going to get an agreement to vote on this bill. It is perfectly apparent that you are not going to get an agreement to vote on it. If you should change the rules, and adopt a cloture rule under which the majority would have a right to cut off debate, the majority could pass any bill they wanted to.

The Senator from Tennessee [Mr. McKELLAR] thereupon interrupted to say:

They could not do it at this session.

Then the Senator from Alabama concluded by saying:

They could not do it at this session, of course, and under the rules of procedure in the Senate this is an impossible proposition.

Then, a little bit later on, so as to make it perfectly clear where the responsibility for this situation lies, the Senator from Alabama said:

I want to say right now to the Senate that if the majority party insist on this procedure they are not going to pass the bill, and they are not going to do any other business. There are a large number of men whose names have been sent to the Senate, who have been appointed to important offices, and who are entitled to confirmation, and who ought to be confirmed; but they are not going to be confirmed; we are going to transact no more business until we have an understanding about this bill.

Later on in the discussion the distinguished Senator from North Carolina [Mr. SIMMONS] rose in his place and interrupted the Senator from Alabama to say that in his judgment, after talking with a great many Senators on the other side of the Chamber, he was of opinion that the position of the Senator from Alabama was absolutely the attitude of the Senators on the other side of the Chamber.

In other words, it was then and there clearly stated that it was the definite purpose of Senators on the other side of the Chamber—that it was the policy of the Democratic Party—not only to prevent the enactment of this legislation, but even to prevent its consideration. It is not sufficient for Senators to say that they are opposed to this provision of the bill or that provision of the bill when they do not have the courage even to permit a discussion of the bill.

Mr. President, there is no occasion for heat or excitement about this matter, or for some of the bitterness or sectionalism that was manifested yesterday. It is simply a cold proposition that is put up to the Senate as to whether the Senate of the United States can or can not do business. Here is a majority on this side of the aisle, and they are told, and correctly told under the rules as they stand now, that a minority of 15 or 20 or 25 propose to say to the Senate that no business can be transacted.

As I said when I rose in my place, I commend the Senator from Alabama for his courage and his frankness; but I want to state to the Senate that the time is coming, and I think it is here now, when the Senate will have to work out some method whereby it can transact business. If it does not reform its methods of procedure so that a majority in the Senate can express its will, the people of the country will find out a way to reform the Senate. In other words, we are face to face with a condition that in my judgment demands such a readjustment and amendment of the rules of the Senate as will permit the business of the people of the country to be transacted and not put it within the control of a small minority to say to the majority, "Not only shall you not pass this bill but you shall not discuss it, you shall not consider it, you shall not take it up for examination."

That is the situation to which I wish to call attention—that it is the policy of the Democratic Party, for which the distinguished Senator from Alabama and the distinguished Senator from North Carolina so ably speak and which they so ably lead, not only to defeat this legislation but absolutely to prevent any consideration of it; and under the rules they can do it and are doing it.

I said I regretted the note of bitterness and sectionalism that was interjected. I think there is no occasion for that, because

it is lamentably true that the crime of lynching is not peculiar to any section of this country. Lynchings have occurred in very many of the States; but I was sorry to hear the statement made by the Senator from Tennessee [Mr. McKELLAR] in which I think he was misled as to the facts, because in some heat he said, at page 338 of the RECORD, in part:

Some of the worst lynching crimes that have ever occurred in this country have occurred in States of the North.

I have no objection to that statement. I think that is true. Then the Senator from Tennessee went on to say:

They are getting to be more prevalent in the North in comparison to the total population, than in the South.

I doubt whether we get far in promoting the interests of the country by going into a discussion of that kind. I simply want to say to the Senator from Tennessee that he is absolutely mistaken in that statement; that if he will take pains to look at the figures he will find that he is entirely wrong, and I know that he wants to be fair.

Mr. McKELLAR. Mr. President, of course I want to be absolutely accurate. I shall be very glad if the Senator will put in the RECORD the figures of the various lynchings in the country, so that we can see just exactly what they are. If he has the figures, let them show what the facts are.

The Senator will recall that there have been a number of lynchings in Ohio and Illinois and other Northern States, where great cruelty was exhibited by those who did the lynching. I hope he will put the figures in the RECORD, also the figures of the colored population, so as to show the exact facts, so that there can not be any controversy about them.

Mr. WILLIS. Mr. President, my attention was drawn to the inaccuracy of the Senator's statement first from a study of the report on this bill. I think, if I may have permission, in response to the Senator's suggestion, I will incorporate in my remarks at this point a paragraph at the top of page 5 of the report which will shed some light on the subject. If I have that permission, I shall incorporate that in my remarks without reading it.

Mr. McKELLAR. Inasmuch as it is to be used in contradiction of something I have said, I should prefer that the Senator read it.

Mr. WILLIS. All right; I will read the paragraph.

Mr. McKELLAR. I want to make this suggestion to the Senator—

Mr. WILLIS. Will the Senator permit me to read this paragraph, so that it will appear where it should be?

Mr. McKELLAR. Certainly.

Mr. WILLIS. I am reading from the committee report:

In the 30 years from 1889 to 1918, 3,224 persons were lynched, of whom 2,522 were negroes, and of these 50 were women. The North had 219; the West, 156; Alaska and unknown localities, 15; and the South, 2,834, with Georgia leading with 386 and Mississippi following with 373. Yet in Georgia negroes paid taxes on 1,664,368 acres, and owned property assessed at \$47,423,499. Of the colored victims 19 per cent were accused of rape and 9.4 per cent of attacks upon women. In the year 1919, 77 negroes, 4 whites, and 2 Mexicans were lynched. Ten of the negroes were ex-soldiers; one was a woman. During 1920 there were 65 persons lynched; 6 were white and 59 were negroes; 31 were hanged, 15 shot, 8 burned—

I pause there to say, Mr. President, that this is the only country in the world that pretends to be civilized that permits burnings at the stake; and yet when legislation is proposed, when it is sought to bring to officials and to communities, whether they are North or South or East or West, a sense of their responsibility in that matter, Senators cry out about the rights of the States and about the liberties of the people. What State or what people have any right to take the life of a man contrary to the law and to burn him at the stake?

But I read further from the report:

Two drowned, 1 flogged to death, and 8 in manner unknown; 24 were charged with murder, 2 assault on woman, 15 attack on woman, 3 insulting woman, 1 attempted attack on woman, 1 attack on boy, 1 stabbing man, and 3 assaulting man.

I think that is all in the paragraph that refers to the matter; and since the Senator from Tennessee has suggested that I point out the figures, I have done so. I should not have introduced such a subject if he had not made a statement which was so inaccurate.

Mr. McKELLAR. Mr. President, will the Senator give us the figures as to the relative colored population in those various sections of the country?

Mr. WILLIS. I have not those figures before me. I have no objection at all to the Senator getting them and putting them in the RECORD.

Mr. McKELLAR. Of course the accuracy of the statement can not be determined unless we have the relative figures as to the colored population.



Mr. WILLIS. Of course, Mr. President, that is not the point, because these lynchings have occurred amongst the white population as well as the colored population.

Mr. WATSON. Mr. President—

Mr. WILLIS. I yield to the Senator from Indiana.

Mr. WATSON. The difference between the two Senators, as I understand, is this—that however many of these lynchings may occur in the North, whether there be few or many, whether there be one or a thousand, we are entirely willing that legislation shall be enacted to prevent them in the future.

Mr. WILLIS. We are asking for such legislation.

Mr. WATSON. While however many may occur in the South, whether few or many, they are unwilling that any legislation of this kind shall be passed to prevent that crime in the future, which is the difference between the two sections.

Mr. McKELLAR. Yes, and there is another difference—that we are upholding the Constitution of the United States, and Senators over on the other side are going contrary to the express provisions of the Constitution of the United States.

Mr. CARAWAY. Mr. President, will the Senator from Ohio yield to me just for one moment?

Mr. WILLIS. I yield to my friend from Arkansas for a question.

Mr. CARAWAY. I just want to show how inaccurate the Senator from Indiana is. Ordinarily he is absolutely letter-perfect on any statement, and I think a very great deal of him; but this bill that you are championing does not propose to punish anybody for the peculiar kind of lynchings you have in your section. You say that if a man is lynched for having committed a crime, then the Federal Government shall have jurisdiction, but if you kill him because he wants to work in a mine, or as you did in Indiana when you had your riots, or in East St. Louis when you had your negro riots, that is all right. In other words, it is a crime to kill a man if he is guilty of a crime, but it is no crime if you kill an innocent man. That is the result of the language of your bill and if the Senator will take the time to read it before he eulogizes it, he will discover it is not attempting to try to punish the kind of crimes that prevail in his section; that is, where you lynch a man simply because he is black, as they did in Springfield, Ohio, and as they have done in Illinois, as they did in East St. Louis, or, as they did in Marion, Ill., kill him because he wanted to work. But you want to make it a crime to kill a negro who assaults a woman; but it is no offense, under this bill, if you kill 40 men who simply want to make a living for their wives and children. That is the difference between the two sections.

Mr. WILLIS. I prefer to have my friend from Arkansas and my friend from Indiana carry on their discussion in their own time.

Mr. CARAWAY. If the Senator will pardon me, inasmuch as we were all engaging in the filibuster, and the Senator from Ohio has already aided us 30 minutes, I thought he would not object. We are in one common cause, the winning of the filibuster.

Mr. WILLIS. The Senators can arrange that matter in their own time.

Mr. CARAWAY. Very well.

Mr. WILLIS. I started to give the facts to the Senator from Tennessee, who seemed to be very much in doubt about some matters.

Mr. McKELLAR. I am not in doubt at all about these matters.

Mr. WILLIS. I wanted to put it charitably. I will say he was wrong. I will state the bald fact, he is absolutely wrong. But since the interruption has been made by my friend from Arkansas, I should like to make this suggestion: If the bill does provide as the Senator from Arkansas suggests—a matter which I very much doubt—then let us act like men, take up the bill and amend it. If this bill is so drawn as not to apply to every section of the country, then it ought to be amended in that particular, and I will vote for an amendment along that line. But the trouble about Senators on the other side is that they will not permit a consideration of the bill, even an opportunity to offer amendments. That is what I am pleading for, the opportunity to take up the bill and perfect it and make it right if it is not.

To come back to my friend from Tennessee, to show how far he was from the facts, I will read his statement in the RECORD. As I say, I should not have thought of replying to this phase of the matter if he had not made the statement, because I do not think the question of place enters into the matter at all. If there have been lynchings in Ohio—and I hang my head in shame and have to admit that there have been—then those guilty of the crime ought to be punished. If there have been

lynchings in Arkansas, or anywhere else, those participating ought to be punished. So it is not a matter of the State.

Mr. McKELLAR. May I ask the Senator if those lynchings in Ohio have been punished?

Mr. WILLIS. So far as I know, they have been. I have not made it my business to follow up the cases. But regarding the statement of the Senator, I want to fix him up on that. He said:

They are getting to be more prevalent in the North, in comparison to the total population, than in the South.

Let us see whether that is true. I looked up the figures in the World Almanac, a nonpartisan, or bipartisan or omnipartisan, publication. I took, for example, the State of the distinguished Senator who made the statement. The great State of Tennessee has a population, according to the World Almanac, of 2,337,000. The State of Indiana is nearly the same size, somewhat larger, with a population of 2,930,000. The Senator said in his statement yesterday that, according to the population, lynchings were becoming more prevalent in the Northern States.

Mr. McKELLAR. Of course, the Senator knows I meant in proportion to the colored population.

Mr. WILLIS. I understood the Senator to mean just what he said and what he put in the RECORD.

Mr. McKELLAR. If the Senator just misconstrues my remarks and is undertaking to make an argument based on something I did not say, well and good. I do not think anybody else understood me to say it. Of course, I meant in comparison to the colored population in the various States. No one would have made the statement that they were greater in comparison to the population of the whole country. No one put that construction on it except the Senator from Ohio.

Mr. WILLIS. Of course, if the Senator wants to disavow it, all well and good.

Mr. McKELLAR. I am not disavowing it at all. I am saying just what I said, that in accordance with the colored population they are more prevalent.

Mr. WILLIS. I read it to the Senator. If he has the RECORD let him turn to page 338 and read it. The Senator said:

They are getting to be more prevalent in the North, in comparison to the total population, than in the South.

That is the Senator's language. If he wants to crawl and get away from it, all right.

Mr. McKELLAR. I was talking about the colored population, and everybody understood it that way. Nobody took exception to it, and nobody takes exception to it now, I am sure, except the Senator from Ohio.

Mr. WILLIS. Mr. President, I decline to yield for the Senator to make a speech he thought he was going to make, but which he did not make. I am answering the speech he made. If he crawls away from it now, that is his lookout.

I have given the population of those two States. In his State during this period, according to this publication, the World Almanac, page 720, from 1885 to 1920 there were 198 lynchings, whereas in the State of Indiana, a larger State, there were 31, about one-sixth of the number.

In Alabama, with a population of 2,348,000, there were 260 lynchings. In Wisconsin, with a population of 2,632,000, there were 5. So there were more than fifty times as many in the southern State.

In Mississippi, with a population of 1,790,000, there were 400 lynchings. In Kansas, with almost the same population, 1,679,000, there were 37; less than one-tenth of the number that occurred in Mississippi.

In Georgia, with a population of 2,895,000, there were 528 lynchings. In Iowa, with a population of 2,404,000, there were 10.

In Texas, with a population of 4,663,000, there were 304 lynchings, and I am ashamed to say that in the State of Ohio, with a population of 5,759,000, there were 20 lynchings.

I have only referred to this because I want to get my friend the Senator from Tennessee straight, and call attention to this fact that it is not a sectional matter, it is not a racial matter, but it is a matter which, in my judgment, goes to the very life of this Republic. Either we shall have in this Republic orderly liberty, regulated by law, or else we shall descend to the weltering chaos of the mob.

I think this pending bill is a good bill. I think it is constitutional and that it ought to become a law. I think it will aid in the eradication of this frightful danger to free institutions and this burning shame to the American Republic. At all events, it seems to me the part of courageous, honorable men is to permit this bill to come before the Senate. Then, if it develops that amendments should be made, we can make the amendments.



So I say in conclusion that I think, first, the thing that is before the Senate now is the question as to whether the Senate is going to transact business or whether it will permit itself to be controlled by a minority. Second, whether by passing the antilynching bill it is willing to take this step in the direction of the maintenance in this country of free civilized government as distinguished from mob violence. I am for the law and against the mob.

Mr. NEW. Mr. President, I desire to address myself very briefly to the bill before the Senate and to the situation with which we are at this moment faced.

Long before I became a Member of this body I was convinced that some such measure as the Dyer bill was absolutely necessary if we are ever going to emerge from the condition, not of semibarbarism but of complete barbarism, under which we rest so long as we permit the perpetration of such crimes as have been enacted within recent years, both in the South and in the North. Like the Senator from Ohio [Mr. WILLIS] I do not mean to make this a sectional matter at all. I absolutely disavow any such purpose. I would be for the passage of the bill if there were not a colored man in the United States. I would be for it because I believe it is absolutely necessary to the credit of this people as a Nation that we stop these outrages. There is no country in the world to-day that is regarded as even as halfway civilized in which such outrages occur as are reported with almost weekly regularity from sections of the United States. I must say that they predominate in the South, as everyone knows, and for reasons which are peculiar to the South, of course. But wherever they are, they should be stopped, and if they can not be stopped under the laws of States, made in conformity with the sentiment of their respective communities, they should be stopped by Federal legislation.

The question of the constitutionality of this bill has been brought in question. Senators on the other side who are opposing it assert that it is unconstitutional. If I believed it were unconstitutional, certainly under my oath I would not vote for it or stand here advocating its passage. I do not believe any such thing. I do not believe the Constitution of the United States ever contemplated that sort of crime at which the bill is aimed—I mean the crime of lynching—should be perpetrated in the United States without let or hindrance.

The Constitution of the United States contains a provision in the fifth amendment that no citizen shall be deprived of his life or liberty without due process of law, and yet men are deprived of their lives, and deprived of them by methods that are most shocking, most revolting, and not to be tolerated anywhere in any civilized land.

Mr. CARAWAY. May I ask the Senator a question?

The VICE PRESIDENT. Does the Senator yield to the Senator from Arkansas?

Mr. NEW. I yield for a question, yes; but not for anything but a question. The assertion has been made that there have been lynchings even in my own State. It is lamentably true. I was myself an eyewitness to the concluding scenes of one in the days when I was a newspaper reporter, long ago, and the impression the incident made upon me has rested in my mind ever since. It was a white man who was lynched; and I think that if a man's life should be forfeited under the laws for a crime committed, that man's life should have been forfeited; but it should have been forfeited by due process of law, as it was not.

I regret to say, too, because I anticipate the question, that no one was ever punished for the crime. An attempt was made to ascertain who was responsible for it, but beyond the fact that from 50 to 75 people congregated, seized the man, took him from a jail, took him out and hanged him, and riddled his body with bullets, nothing was ever known as to who the individuals were.

I also witnessed another attempt at lynching, which was frustrated by a courageous sheriff and a half dozen courageous deputies, who threatened to empty a lot of sawed-off shotguns into a crowd if they did not disperse—and they would have done it.

But the question of locality has nothing to do with it. It is the question of right and wrong, a question as to whether this country will permit itself to longer labor under the just criticism that attaches as the result of permitting the continuance of this sort of thing, or whether it shall be discontinued, by whatever means it may be found necessary to stop it.

Much has been said about the autocratic methods of the Senate. Nobody in this body holds the leader of the minority in greater respect than I do. I have for him a genuine feeling of personal affection as well as the highest possible regard for him both as a gentleman and as a legislator. But, Mr. President, what can be more autocratic than for the leader of the

minority to stand before the majority and say to us, "You shall not legislate upon this question."

The Senator from Alabama in the course of his remarks said that we were injecting the bill into these proceedings. I find by consulting the record that the bill has been on the calendar since the 28th day of last July. True, it was not made the unfinished business of the Senate, but it was given a place in exact accordance with the custom of the Senate. It appears just as every other bill comes before this body. What does it displace? It is said that appropriation bills will be held up in order that consideration of this bill may not be had.

Why, sir, the appropriation bills are not even here. They have not passed the House. They are not before the Senate at all. Neither is there anything else before the Senate that is of crying importance. We are simply deferring all legislation because this one piece of proposed legislation is objectionable to a minority.

Now, Mr. President, the Senator from Ohio [Mr. WILLIS] spoke also of what we were unable to do under the rules which govern this body. There are many Senators here who view with much apprehension any change in the rules of this body which shall curtail debate. But, sir, this is the thing, this attitude of a minority, which is going to compel a change in the rules governing the Senate, whether there be those among us who may be regarded as ultraconservative and do not want to see those changes or not. Public sentiment, as a result of this kind of opposition and obstruction, is going to require such a modification of the rules as will permit the Senate at least to perform the public business.

The Senator from Arkansas [Mr. CARAWAY] said that the bill does not cover lynchings in the North. That is begging the question. If it does not, it is the privilege of the Senator from Arkansas to move any amendment that may be required to make the bill meet his views, to make it meet the situation that may be presented as the result of a crime committed in some State other than his own. That is the course that must be taken as to every measure that comes before this body. No one of them, perhaps, suits every Senator in its original form, and it is in order that the bill may be amended, that it may have due consideration, that we are trying to bring it up at this time. As I have said, I am heartily in favor of its passage, because I believe it is necessary to enforce the clear provision of the Constitution of the United States—that provision which guarantees to every man that he shall not be deprived of life or liberty without due process of law.

Mr. President, our newspapers are filled with reports of Armenian atrocities. In our churches nearly every Sunday the pulpits ring with appeals to the American people for aid for those who are the victims of outrages at the hands of the Turk. We have public meetings to denounce the pogroms in Russia. We send missionaries to those countries to educate against the perpetration of that sort of crime. And yet, Mr. President, nowhere in the world have outrages more dastardly been perpetrated than on the Continent of America and within the confines of the United States. I say that with shame and mortification as an American citizen. Some way must be found within the limits of the Constitution of the United States to stop this sort of thing if we are not to be justly condemned by all the other peoples of the world. I am in favor of the passage of the Dyer bill.

Mr. CARAWAY. Mr. President, I presume all our purposes are the same. Some of us frankly announce them and others seek to conceal. We are all engaged in a filibuster. The Senator from Alabama [Mr. UNDERWOOD] announced for this side of the Chamber that as our purpose until this measure should be laid aside. The Senator from Ohio [Mr. WILLIS] stopped a roll call that he might read into the RECORD nearly everything which was said yesterday, so that, without being put to the trouble of thinking up anything original to say, he could consume nearly an hour of the time of the Senate. Personally I have no objection to his doing it, and while I know that he will know that I am not critical of him, I sometimes think what he reads expresses more than what he says of his own invention. Then the better part of his speech this afternoon was the part which he read from the RECORD, although all of it was good. I shall be glad, at any time when I have the floor, if he wants to interrupt me and inject another speech as good as that, because I have listened to many of his speeches, and I think it the best he has ever made. He says it is "without heat," and then makes so much noise and beats the desk so viciously that he illustrates what he says without saying it.

I have said that this bill, the so-called Dyer antilynching bill, is not intended to become operative in that section of the country which the proponents of the measure represent. In answer to that the distinguished Senator from Indiana [Mr. NEW] said, "Let us get it up and amend it," but they have had it for



months and months in their Senate committee, and the Senator who reported it said yesterday that his attention 10 months ago had been called to the fact that it would not punish people residing in other sections than the South. These Senators favoring the measure made no effort to amend it, and we have no assurance now that if we should consent to its consideration the majority would not make the bill conform to what the purpose of the bill was, merely to be a stab at the South and to excuse any offenses that may be committed in the North. There is no assurance that an amendment would be accepted, though the Senator from Indiana asks us to permit the bill to be considered and even said I might offer that amendment. Of course, it was generous in the Senator to offer me the privilege of offering it, provided I could get recognition from the Chair to do so, and I am duly grateful to him.

There is another thought to which I wish to call the attention of the Senator from Indiana which occurred to me when he was reading the fifth amendment to the Constitution, which reads as follows:

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself; nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

That thought is that amendment never meant that a man might not lose his life without due process of law, because every murder that is committed involves some one losing his life without due process of law, and the Constitution never intended to say that it guaranteed that man would not be murdered. If the amendment gives any jurisdiction to invade the State and punish murder, it includes private murder as well as mob violence. If it is merely the saving of life that appeals to the Senator from Indiana, he ought to be broad enough that he should want to save the man from private murder as much as from mob violence. That section of the Constitution, of course everybody knows who takes the time to read it, means that no State, no official of a State, no tribunal created by the State should deprive a man of his life without due process of law. That is, if the State of Indiana should execute a man who had been accused of crime without giving him a trial, a hearing, the State would be denying him due process of the law. That is what the Constitution of the United States prevents. That is what the Supreme Court said in passing upon a measure somewhat like the proposed bill, that it referred to official acts of the State, not to private crimes.

It is the act of officials, people who pretend to act under some legislation or with some executive power, who pretend to act by some process that is given to them to execute a law, that is what is meant as denying to one the due process of law. That is what the Constitution meant, but the Senators who are so anxious to pass this particular bill, I presume, are not very much concerned about what the Constitution really meant. I understood the Senator from New Jersey [Mr. EDGE] yesterday to say that he was perfectly willing to encroach a little upon the Constitution in order to pass this particular legislation.

Again I am calling attention to what is apparent, and for this reason: Here is a bill which undertakes to punish mobs if they lynch a man guilty of an offense, however heinous it may be. If he is lynched because of his race, his occupation, his place of dwelling, or because he is unpopular, the framers of this measure are willing that the mob may kill for any of these causes; but if the one lynched be guilty of an offense, if he be guilty of outraging a woman and then meets summary justice by the hands of a mob, they, the proponents of this bill, say, "We will not stand for that. You may kill the innocent, but you must not kill the guilty without becoming amenable to the laws of these United States."

Here is the truth about the matter: I am sure, although I have no way to substantiate it, that a society known as the society for the protection of the rights of colored people wrote this bill and handed it to the proponents of it. These people had but one idea in view, and that was to make rape permissible, and to allow the guilty to go unpunished if that rape should be committed by a negro on a white woman in the South. That was the idea in the minds of the men who wrote the bill.

The society handed it to the committee and the committee, after months of hearings and consideration, reported it favorably with that idea written into it. That is what it was intended to do. It was intended to encourage crime; it was to encourage a negro to believe that the strong arm of the Federal Government was going to be thrust down into the Southern States in order to protect him and save him from punishment,

however infamous his crime might be. I say that no such blunder as that could have been written by anybody who wanted, as the Senator from Indiana says he does, the absolute enforcement of the law in all the States. No one could have made any such blunder as that; no lawyer could ever have written this bill as it is without that was his intention, and no latter-day amendment will take out the object and the purpose of the framers of the bill. I do not care what may happen to the bill in the future, that is the purpose of it, and that is the purpose which was in the mind of whoever wrote the bill and gave it to the committee.

Suppose we pass the bill. I have an idea that we would not thereby prevent a single act of mob violence. We might cause a great deal of annoyance and disturbance. We who believe in prohibition transferred to the Federal Government the joint power of enforcing the prohibition law, but I will venture the assertion that there is fifty times more whisky now sold in the State of Ohio than there was before that action was taken.

It is more difficult to enforce the law against the illicit sale of liquor in Indiana since the Federal Government assumed the enforcement of the law than it was before. Such legislation broke down the public morale of the States. They said, "Why, let Uncle Sam do it; he has undertaken to do it." The result is that the States do not enforce that law, and the Federal Government can not.

We say frankly that we do not want this bill to be passed, because it is a partisan bill, whatever Senators who favor it may say to the contrary. It is proposed to be passed for the purpose of paying a political debt. It was written in order that the peculiar kinds of violence which are committed in the States of Senators who are its proponents will not fall within its provisions. Where men are murdered because they want to work or do not want to work, or where, because of their color, they are not wanted in some particular locality of a city in which they might wish to live, as they were in Chicago and in East St. Louis, this bill does not give any protection. It is therefore only where the man has committed a public offense or is believed to have committed a public offense, or where it is believed he intends to commit a public offense, that the provisions of the bill will apply. If a man is killed for any act not a crime, his murderers go unwhipped of justice; if he is killed for the most fiendish crime, then it is desired that the Federal Government shall punish his punishers.

Whether it is true or not I do not know, but it was published in the Baltimore Evening Sun and the St. Louis Post Dispatch that the bill was reported not with the expectation of its passage; that all the lawyers on the Committee on the Judiciary—and they are all lawyers—except two agreed that the bill was not constitutional.

I was not present, of course; I am not a member of the Committee on the Judiciary, but it was published in the Baltimore Evening Sun and the St. Louis Post-Dispatch some time ago that when the bill was reported out most of the lawyers on the committee reserved the right to vote against it. I do not know what the motive might have been which prompted Senators to report a bill under such circumstances.

Mr. CUMMINS. Mr. President, may I interrupt the Senator from Arkansas?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Iowa?

Mr. CARAWAY. Yes, I yield.

Mr. CUMMINS. I am a member of the Judiciary Committee.

Mr. CARAWAY. I knew that, sir.

Mr. CUMMINS. And I think the last statement made by the Senator from Arkansas is not well founded. It is not true that all but two members of the Judiciary Committee were of the opinion that the proposed law was unconstitutional. This is the fact: There were various phases of the question presented by the bill as it passed the House of Representatives which met with very great opposition of some members of the Judiciary Committee. A good many members of that committee were of the opinion that section 4 of the bill was of very doubtful constitutionality as it passed the other House; and that was true also as to the section of the bill relating to the liability of municipalities for crimes of this sort. I am sure that a majority of the Senators who are members of the Judiciary Committee, however, are of the opinion that the bill as it has been reported to the Senate is constitutional. I should be sorry to think that any member of that committee would vote to report a bill favorably unless he believed that the bill proposed constitutional action.

I am rather surprised at the statement of the Senator from Arkansas that the bill has a sectional operation. I wish to be entirely fair, of course.

Mr. CARAWAY. I am sure of that.



Mr. CUMMINS. The propaganda, if you please, or the motive which initiated this bill, came from those who had suffered or believed they had suffered from a failure to enforce the law in the South.

Mr. CARAWAY. Will the Senator from Iowa state just who did frame the bill?

Mr. CUMMINS. I do not know. I have never inquired as to who framed the bill.

Mr. CARAWAY. To whom does the Senator refer when he says that the bill was instigated by those who had suffered and had received no redress in the South?

Mr. CUMMINS. To be perfectly frank about the matter, I will say that the initiation of the bill came from the Negro race.

Mr. CARAWAY. Does the Senator know what particular class of negroes were responsible for it? I am sure the Senator knows, because he says it was initiated by people in the South who had suffered.

Mr. CUMMINS. I do not know; I have never talked with anyone who was connected with the origin of the bill; but, as a matter of common observation, it is easy for me to believe that the origin of the bill came from the persons who are interested in protecting the negroes.

Mr. CARAWAY. In the South?

Mr. CUMMINS. Yes; I think I may say in the South, because—

Mr. CARAWAY. They do not object to shooting negroes down by the dozens in East St. Louis and Chicago, I reckon?

Mr. CUMMINS. What I say is that when the bill was drawn and when it was reported by the Judiciary Committee it was made applicable to every section of the country, and the offense is just the same in Illinois as in Alabama or Arkansas.

Mr. CARAWAY. Let me ask the Senator a question then. Why was there written into the bill in section 1 the following language:

That the phrase "mob or riotous assemblage" when used in this act shall mean an assemblage composed of three or more persons acting in concert for the purpose of depriving any person of his life without authority of law as a punishment for or to prevent the commission of some actual or supposed public offense?

Why is the measure limited to punishing those mobs which put somebody to death who has committed a crime instead of saying that if a mob shall deprive a man of his life its members shall be guilty?

Mr. CUMMINS. So far as I am concerned, if I had been writing the bill I would have used more general terms, but the terms at present in the bill mean precisely that; they are not confined to lynchings that come about on account of an assault by either a white man or a black man upon a negro.

Mr. CARAWAY. Let me ask a question of the Senator as a lawyer. Under this bill if a mob were to assemble and were to hang negroes because they insisted on living in a particular section of a city, as was the case in Chicago, we will say, does the Senator say that under this bill, if it were a law, that mob could be punished?

Mr. CUMMINS. Certainly.

Mr. CARAWAY. What public offense would the negroes in that instance have committed?

Mr. CUMMINS. The bill is designed to reach the situation where a mob or riotous assemblage has committed the act of murder and there has been a failure on the part of the public authorities of the community in which the act was committed to enforce the law.

Mr. CARAWAY. Oh, no. If the Senator will permit me, here is the way the bill reads; it says:

That the phrase "mob or riotous assemblage," when used in this act, shall mean an assemblage composed of three or more persons acting in concert for the purpose of—

Doing what?—

of depriving any person of his life without authority of law—

As what?—

as a punishment—

For what purpose?—

for or to prevent the commission of some actual or supposed public offense.

If a mob puts a man to death for any other purpose, except to punish him for a supposed public offense, or to prevent him from committing such an offense, then it is not covered by the provisions of this bill.

Mr. CUMMINS. The bill covers the case of a mob that proceeds against the person of some one—

Mr. CARAWAY. For what purpose?

Mr. CUMMINS. To punish him.

Mr. CARAWAY. To punish him for what?

Mr. CUMMINS. For some offense which it is alleged or believed he has committed.

Mr. CARAWAY. Yes; some public offense; not a private, but a public offense, which is a violation of the law. Therefore, if a negro moved into a white neighborhood, as he has a perfect legal right to do, where the white people objected to his coming and they mobbed him for that, then this bill would not give any jurisdiction, would it?

Mr. CUMMINS. I am not so sure about that; but sections 3 and 4 of the bill are the effective sections.

Mr. CARAWAY. No; I have cited the section under which the jurisdiction is given.

Mr. CUMMINS. Section 3, if I may point it out to the Senator from Arkansas, provides:

That any State or municipal officer charged with a duty or who possesses the power or authority as such officer to protect the life of any person that may be put to death by any mob or riotous assemblage, or who has any such person in his charge as a prisoner, who fails, neglects, or refuses to make all reasonable efforts to prevent such person from being put to death—

And so forth.

That and the following provisions are the effective provisions of the proposed statute.

Mr. CARAWAY. They are effective, but they are only effective when the crime was committed for this one particular purpose set forth.

Mr. CUMMINS. Oh, no; I think the Senator from Arkansas will change his mind about that.

Mr. CARAWAY. If the Senator will read section 1, which provides the definition and which sets out the only people who can be reached, it merely says:

That the phrase "mob or riotous assemblage," when used in this act, shall mean an assemblage composed of three or more persons acting in concert for the purpose of depriving any person of his life without authority of law as a punishment for or to prevent the commission of some actual or supposed public offense.

If a mob put a man to death for any other reason except that stated it does not come under the provisions of the bill.

Mr. CUMMINS. But if a man in the North were accused by the public generally, or by any part of the public, of the commission of a crime, it would not make any difference what that crime might be.

Mr. CARAWAY. Oh, but what I tried to say, and the Senator did not follow me, was this: The sectional part of it is this: In the South we never do put a negro to death simply because he is a negro. We put him to death, if at all, for some crime. In the North they sometimes shoot him, as they did in East St. Louis, simply because he is black; and you wrote your proposed law so that you could not reach the mob who mobbed the negro for being black, but you could reach the mob who mobbed the negro for outraging a white woman; and therefore I said that you wrote your law so as to make it effective in one section and to excuse the same acts of violence in another section.

Mr. CUMMINS. The only logical conclusion from that reasoning would be that we ought to extend the operation of the act so that any person put to death by a mob or riotous assembly should fall within the operation of this act.

Mr. CARAWAY. Let me ask the Senator a question. Why not, then, make all murder a Federal offense?

Mr. CUMMINS. There is this difference, and when we come to discuss it I shall be very glad to give my reasons for the belief that I hold: It is not true that this bill is founded upon the fifth amendment to the Constitution.

Mr. CARAWAY. Then the Senator from Indiana is wrong.

Mr. CUMMINS. I mean, entirely. That, of course, was taken into consideration; but the real foundation, in my judgment—lawyers do not agree about that; I confess that some of my associates on the committee do not agree with me about it—the real foundation for this statute is the fourteenth amendment to the Constitution, and the occasion upon which the procedure here provided for is to be followed is when citizens of the United States—or of a State, as they are all citizens of the United States—are denied the equal protection of the laws. In my judgment, therein lies the foundation for legislation of this character. I do not contend that every time a man is murdered the United States ought to assume jurisdiction.

Mr. CARAWAY. That man lost his life without due process of law, did he not?

Mr. CUMMINS. He may have done so, and he may not have been denied the equal protection of the laws.

Mr. CARAWAY. Let me ask the Senator a question. If two men kill a man, he has had his due process of law; but if there are three of them, then he has been denied the equal protection of the laws. If that the Senator's reasoning?



Mr. CUMMINS. This legislation assumes that there is greater enormity when a mob or a riotous assembly puts a man to death than when he suffers death by reason of the acts of a single person.

Mr. CARAWAY. In other words, it is a graver crime for three men to kill than for two to kill?

Mr. CUMMINS. I think so.

Mr. CARAWAY. Although he may have been tied and handcuffed when the two killed him, that is not so great an offense as if there was somebody else standing by? I just wanted to know the Senator's reasoning.

Mr. CUMMINS. I think there is a peculiar offense in the mob or riotous assembly. I do not say that we could not extend the jurisdiction of the United States to the point suggested, but I say that this bill does not do it.

Mr. CARAWAY. May I ask the Senator, then, from that last remark, does he believe that under the fourteenth amendment we could make all crimes punishable by Federal law?

Mr. CUMMINS. I do not.

Mr. CARAWAY. What crime would not be punishable? This amendment includes both life and property.

Mr. CUMMINS. An amendment that was added to the bill on my motion in the Committee on the Judiciary illustrates my belief in that respect. The Senator will observe that a part of the section was stricken out, and there was inserted:

*Provided, That it shall be charged in the indictment—*

This is the instance in which individuals may be punished through Federal intervention:

*Provided, That it shall be charged in the indictment that by reason of the failure, neglect, or refusal of the officers of the State charged with the duty of prosecuting such offense under the laws of the State to proceed with due diligence to apprehend and prosecute such participants the State has denied to its citizens the equal protection of the laws.*

And it is further provided that this fact shall be alleged in the indictment and shall be tried by a jury; and the Federal power acquires no jurisdiction unless a jury of the community finds that by reason of the failure on the part of the State officers to prosecute, apprehend, and punish those who are guilty of a murder through mob or riotous assemblage, the State has failed to extend to its citizens the equal protection of the laws.

Mr. CARAWAY. Let me ask the Senator a question. It is not the Senator's belief, is it, that it adds anything to the constitutional power to write into the bill that certain things must be complied with in the way of allegations in the indictment? In other words, if Congress has the power to legislate, it may do it without the verbiage saying that you must charge in the indictment certain things?

Mr. CUMMINS. I do not think so. It is possible that Congress could ascertain and declare that in a certain community or in a certain State the State has failed to extend or has denied to a citizen or to a certain class of citizens the equal protection of the laws. I express no opinion upon that point.

Mr. CARAWAY. It is not the Senator's argument that providing that certain allegations shall be charged in the indictment extends the power of Congress to legislate over crimes, is it?

Mr. CUMMINS. I do not assert that it does.

Mr. CARAWAY. I thought the Senator said that was the amendment that made this act constitutional.

Mr. CUMMINS. But I used this to illustrate the temperateness or the reasonableness of the proposal in the bill—that these people shall not be brought within the jurisdiction of the Federal authority until a jury of the community finds that the State has denied to its citizens or to some citizen the equal protection of the laws.

Mr. CARAWAY. Here is the reason why I asked the question: I thought the Senator said that his amendment was the provision which made the proposed measure constitutional—

Mr. CUMMINS. No.

Mr. CARAWAY. And I was curious to know if he thought that merely requiring that certain acts should be alleged in the indictment made it constitutional.

Mr. CUMMINS. No.

Mr. CARAWAY. I misunderstood the Senator. Therefore the amendment offered by the Senator did not add anything to the constitutionality of the bill?

Mr. CUMMINS. My doubt about the constitutionality of that section as it passed the House was that the fact must be ascertained by some one before Congress can act or before the law can become operative. The provision in the bill as it passed the House was that it should be ascertained *ex parte* and in a summary way by the judge.

Mr. CARAWAY. Does the Senator think that, making the jury find it adds anything to its constitutionality?

Mr. CUMMINS. I think there must be a hearing provided for upon that subject, and in my opinion a hearing by a jury and a determination by a jury was the most available and just method of ascertaining.

Mr. CARAWAY. But that did not add anything to its constitutionality, did it?

Mr. CUMMINS. In my judgment, there must be some ascertainment of it in order to make it constitutional.

Mr. CARAWAY. The court could have ascertained it, could it not?

Mr. CUMMINS. I have some doubt whether even Congress could give a court the power to ascertain the fact.

Mr. CARAWAY. The Senator thinks, then, that the Congress could give to a jury power to ascertain a fact that it could not confer upon a court?

Mr. CUMMINS. I have grave doubt about that.

Mr. CARAWAY. Let me ask the Senator a question. The Senator voted for the eighteenth amendment, did he not?

Mr. CUMMINS. I did.

Mr. CARAWAY. What was the necessity of the eighteenth amendment if we could have written a law saying that if a jury finds that a State is not enforcing the law against the sale of liquor the Federal Government may enforce the State law?

Mr. CUMMINS. There is this objection—

Mr. CARAWAY. There are many objections; but why was not the power there?

Mr. CUMMINS. There are a great many people who believe that we can not constitutionally select certain State laws and enforce them through Federal procedure. I do not care to express an opinion upon that point. I do not see any parallel between the eighteenth amendment and the present case.

Mr. CARAWAY. No; I do not, either, I am frank to say; but I was trying to follow the Senator's reasoning, and I may not have followed him clearly.

Mr. CUMMINS. But all that I rose to say was that this law, so far as the crimes affected by it are concerned, applies with equal force to every part of the United States.

Mr. CARAWAY. Then, again, let me ask the Senator why did he write section 1 in the language that he did?

Mr. CUMMINS. I did not write section 1.

Mr. CARAWAY. Why did the Senator approve it in the language in which it appears?

Mr. CUMMINS. Because I think it does not change the principle that I have just announced.

Mr. CARAWAY. It makes it impossible to punish a riot if the victim happens to be innocent and never has been suspected of being guilty of a crime, but gives jurisdiction only where the man has been put to death either because he committed an offense or because he was thought to have committed one or where he was suspected of having intended to commit a public offense.

Mr. CUMMINS. The only conclusion that the Senator from Arkansas can justly draw from that, as it seems to me, is that the crime is committed oftener in the South than it is in the North; that is, that men are mobbed and lynched oftener on account of the alleged commission of a crime in the South than in the North.

Mr. CARAWAY. Of course. That is the only thing we ever do mob them for in the South.

Mr. CUMMINS. But the law is absolutely uniform in its application.

Mr. CARAWAY. No; with all due deference to the Senator from Iowa, it would be impossible to punish a mob under the provisions of this bill, if it should be enacted into law and be declared constitutional, unless you could show that they put the man to death for the commission of a public offense, or that the mob thought he had committed a public offense, or believed he was going to commit a public offense. If it could be shown that they put him to death because they did not want him to reside in the neighborhood, did not like the church with which he was affiliated, did not like his social pretensions, or whatever it might be, so long as it was not a public offense, then there would be no jurisdiction under this bill.

Mr. CUMMINS. That may be true.

Mr. CARAWAY. Why, of course. That is written in the bill.

Mr. CUMMINS. Nevertheless, the law is of general, equal application.

Mr. CARAWAY. Oh, that is true; but, then, you might write a law providing that all cross-eyed men should be hanged. If you were not cross-eyed you would not be within the scope of the law, although the law was general; and, therefore, to say that the fact that certain people are within the provisions of



the law when the law is general gives those people no right to complain of course is begging the question.

Mr. CUMMINS. That is the reason why I say that the Senator's real objection is that the law will find a more frequent application in the South than in the North.

Mr. CARAWAY. Absolutely.

Mr. CUMMINS. But it will find its application in the North just as well as in the South.

Mr. CARAWAY. No. The bill was so written that the peculiar reasons for putting people to death by mobs in the North should not be within the provisions of the law. They shot negroes in East St. Louis because they did not like their color and their smell.

Mr. CUMMINS. That may be so.

Mr. CARAWAY. And the proponents of this measure did not want to punish them for doing that; but if a negro in South Carolina should outrage a white woman and be put to death by her neighbors and friends, you say, "Let us haul up that community and punish them. They punished a negro for an infamous crime. They are bad citizens and ought to be punished," but if you shot a negro simply because you did not like him, as they did in East St. Louis, of course, that is all right. You have a right to do that.

Mr. CUMMINS. The Senator does not get away from my real conclusion. We have had in the North, lamentably, a great many instances in which men have been lynched or mobbed and killed for the alleged or the believed commission of a crime, have we not?

Mr. CARAWAY. I thought in the North they were particularly desirous to put negroes to death because they did not like their color or their religious beliefs.

Mr. CUMMINS. No; the Senator is thinking of one instance.

Mr. CARAWAY. I will say frankly that I do not know what the peculiar views in Iowa are as to putting people to death by mob violence.

Mr. CUMMINS. Unfortunately, since I have lived in Iowa there have been possibly half a dozen instances of men being lynched simply because they were believed to have committed some crime of great enormity, sometimes murder, sometimes other offenses that are regarded as particularly heinous, and this proposed law would apply to them.

Mr. CARAWAY. But let me ask the Senator a question. Is not the Senator conscious that the proposed law is so drawn that in its operation it would fall upon the South and not upon the North? I am not accusing the Senator of having written it, because he disclaims that. I doubt if he had ever read section 1 with that idea in view.

Mr. CUMMINS. Oh, yes; I have read it.

Mr. CARAWAY. I say with that idea in view, because I do not think the Senator would entertain an idea of that kind. That is what I am trying to say. But the bill is so drawn, as the Senator will admit when he reads it, as to make it applicable to lynchings in the South, but excuses the prevailing methods and means of putting people to death by mobs in the Northern States.

Mr. CUMMINS. Without any definite knowledge on the subject, because I have not collected the information, I venture to say that nine-tenths of the lynchings in the North have been on account of the commission of a crime on the part of the person lynched, or the belief on the part of the lynchers that the person assailed was guilty of crime.

Mr. CARAWAY. What offense does the Senator think the people thought the miners at Marion, Ill., had committed?

Mr. CUMMINS. I do not think that would come within this law.

Mr. CARAWAY. It does not come within this law; of course it does not. What does the Senator think the people in Chicago thought as to the offense the negroes had committed there when the riots broke out?

Mr. CUMMINS. That crime in the South would no more come within the law than in the North.

Mr. CARAWAY. They do not commit that crime in the South. They do not shoot men in the South because of their race.

Mr. CUMMINS. I think they do as much as they do in the North.

Mr. CARAWAY. Will the Senator name an instance?

Mr. CUMMINS. I do not recall an instance, but I do not think there is any difference between the North and the South so far as crimes of that kind are concerned.

Mr. CARAWAY. I never knew a mob to put a negro to death in the South simply because they did not like his race or occupation. It was always for some offense. In East St. Louis and in Chicago, and here in the good city of Washington, I do not think that was the moving spirit at all.

Mr. CUMMINS. You can not judge a law by peculiar and isolated instances. All I say is that the law is general and uniform.

Mr. CARAWAY. The Senator knows that is begging the question. To repeat my statement, let me write a law that only cross-eyed men should be guilty. You could say that law was uniform and equal because it applied to all cross-eyed men, but all other men who are not cross-eyed would be exempt from its provisions.

This bill has been so written that if the mob is actuated by any motive except to punish a man for a public offense or to prevent his committing a public offense it is not possible for the Federal Government to intervene. Why restrict it? That is what I am trying to find out. What was the motive that made the proponents of the measure restrict its application?

Mr. CUMMINS. The violations of the law would perhaps be found more in the South than in the North.

Mr. CARAWAY. Yes; I am certain whoever wrote the bill was sure of that.

Mr. CUMMINS. But if the Senator desires to bring every lynching under the jurisdiction of the Federal authority I have no objection.

Mr. CARAWAY. I have; I do not want any of it. But may I ask the Senator one more question? The Senator said it was not true that all the lawyers on the committee doubted the constitutionality of the bill. How many did, if I may ask about that?

Mr. OVERMAN. Right here, let me say, I doubt whether it is exactly proper—

Mr. CARAWAY. I doubt it, too.

Mr. OVERMAN. To tell what occurred in the committee.

Mr. CUMMINS. I do not intend to tell what occurred.

Mr. OVERMAN. It has been told.

Mr. CUMMINS. No; it has not.

Mr. OVERMAN. Part has been told.

Mr. CUMMINS. I do not think the Senator told anything that occurred.

Mr. OVERMAN. He read the newspaper account, which, I think, was substantially true. When this bill went before the committee I have no doubt that every lawyer on the committee thought it was unconstitutional, with two exceptions. They so expressed themselves.

Mr. CUMMINS. The Senator from North Carolina is violating his own precept.

Mr. OVERMAN. I am doing it because the Senator denies that statement. Every man on the committee expressed himself, and among them the Senator from Iowa was the most pronounced in declaring this bill unconstitutional.

Mr. CUMMINS. Certain sections of the bill.

Mr. OVERMAN. Of course. It stayed in the committee some time, and was referred to a subcommittee, of which the Senator was a member. The Senator wrote an amendment, which was the amendment he read, and, if I recollect rightly, he said he had grave doubts about it, but that his amendment would come nearer making it constitutional.

Mr. CUMMINS. The Senator does not report me with absolute accuracy.

Mr. OVERMAN. Another thing, when the vote was taken, it was very close, the Senator will remember, and the Senator remembers that some four of the Senators reserved the right to vote against the bill on the floor of the Senate because it was unconstitutional.

Mr. CUMMINS. I take it for granted that every member of every committee reserves the right to vote as he pleases when the final vote is taken.

Mr. OVERMAN. That is not my point. That is true; but when a Senator comes out of the committee, when the vote is taken, and says, "I reserve my right to vote against this bill, although I am going to vote to report it to the Senate"—

Mr. CUMMINS. I do not remember how many Senators on the Judiciary Committee made that statement.

Mr. OVERMAN. There were some.

Mr. CUMMINS. The Senator from North Carolina undoubtedly remembers, and I do not question his statement. But I know the position I myself took, which was that there was no doubt about the constitutionality of section 3 of this bill; that with regard to section 4, I did not believe we could constitutionally decide the question of whether a State had denied to its citizens the equal protection of the laws without a plenary procedure to determine that fact. That was the reason I offered my amendment, and when that amendment was adopted I was entirely content with the constitutionality of the section.

Mr. OVERMAN. My recollection is that the Senator said about his amendment, "If anything will make it constitutional this will do it; but I will always have a doubt about it."



Mr. CUMMINS. No; I do not think I said that. I recognize that there are some questions that lie near the border line, and it is quite impossible to bring lawyers' minds as a whole into uniform judgment with regard to that matter; but I never expressed any doubt about the constitutionality of section 4 as it was amended. With regard to the section imposing a liability upon municipalities which fail to enforce the law, or on officers who fail to enforce the law, I still have some doubt with regard to the constitutionality.

Mr. OVERMAN. I think that is the position the Senator took in the committee.

Mr. CUMMINS. I do not surrender my right to my own judgment, and when I believe that a law is doubtful I have no hesitation in expressing my opinion. I think there is a great deal of doubt about the imposition of a penalty upon a municipality under the circumstances set forth in that section of this bill.

Mr. CARAWAY. Let me ask the Senator about section 6, which reads:

That in the event that any person so put to death shall have been transported by such mob or riotous assemblage from one county to another county during the time intervening between his capture and putting to death, the county in which he is seized and the county in which he is put to death shall be jointly and severally liable to pay the forfeiture herein provided.

Mr. CUMMINS. The answer I have already given to the Senator from North Carolina covers that.

Mr. CARAWAY. Let me go just a step further. I want to tell the Senator what the fact is, and then ask him whether the law would apply. I do not know whether other States have similar constitutions, but in my State a county is merely a subdivision of the State for administrative purposes, and can not be sued, nor can its officers be sued for its torts. The courts have said that a county is a part of the State. It is a quasi corporation merely for administrative purposes, and therefore it can not be sued any more than you can sue the State without its consent. Under that state of facts, does the Senator think you could hold a county in my State under this bill?

Mr. CUMMINS. The law to which the Senator refers is an exception, I assume, because most of the counties of the United States are subject to suits.

Mr. CARAWAY. In our States they are not subject to suits.

Mr. CUMMINS. My other answer is my answer to the question proposed by the Senator from Arkansas. I have a great deal of doubt about the authority of Congress to impose a penalty upon municipalities.

Mr. CARAWAY. Let me ask one other question. As a lawyer, then, does not the Senator hesitate to try to write into law a bill about the constitutionality of which he has a grave doubt, in view of the fact that we swore we would uphold the Constitution?

Mr. CUMMINS. I have no doubt.

Mr. CARAWAY. The Senator has no hesitancy in voting for a bill the constitutionality of which he gravely doubts?

Mr. CUMMINS. I believe this bill as a whole is constitutional. There are two or three provisions in it of which I have grave doubts.

Mr. CARAWAY. Is the Senator willing to vote for a bill as to provisions of which he has grave doubts, and entertains almost a conviction that they are unconstitutional?

Mr. CUMMINS. The answer to that is this, that if I favor a bill as a whole—and I have no doubt about the provisions of the greater part of this bill at all—if I have a doubt I have to resolve it in some way or other, and I resolve that doubt in favor of the provisions of the bill generally. What I might do if that particular question were presented to the Senate I do not say, but I believe that when a State fails to give to all its citizens the equal protection of the law, and that fact is ascertained in a lawful way, then the Federal authority can be given the jurisdiction to punish a crime, whatever it may be.

Mr. CARAWAY. Let me ask the Senator another question. The Senator said that under the fourteenth amendment it is not within the power of Congress to prohibit certain crimes. Will the Senator point out the class of crimes to which he refers?

Mr. CUMMINS. Any case where the evidence was sufficient to prove to a reasonable man that the person accused had been denied the equal protection of the law by the State or through some instrumentality of the State.

Mr. CARAWAY. The fourteenth amendment undertakes to protect property, just as it does persons, and all crimes must be either against the person or the property except those against government. What class of crimes would the Senator say that Congress, if it has the power to prohibit mob violence—

Mr. CUMMINS. Is the Senator now speaking of laws that have been passed by a State affecting property?

Mr. CARAWAY. Oh, no. I understood the Senator to say a while ago that he was not certain that we could not punish individual crime, murder, under the fourteenth amendment.

Mr. CUMMINS. No; I said I would not be willing to extend it to murder.

Mr. CARAWAY. But, as I understand him, the Senator said he thought the Congress had the power to enact laws to punish murder.

Mr. CUMMINS. It has the power to punish murder whenever that murder is committed under such circumstances as to establish before a tribunal authorized to hear the matter that it is a result of the denial of the equal protection of the law.

Mr. CARAWAY. Under similar circumstances, then, the Senator believes Congress could provide punishment for every crime if it could be shown that the person suffering from this crime had been denied the equal protection of the law. Therefore larceny would fall within that.

Mr. CUMMINS. Take my own State as an illustration; and I will take it rather than the State of Arkansas because it would be less invidious. If under the practice in our State a crime committed against a negro would not and could not be punished, and our State authorities deliberately and constantly failed to punish crimes against either the property or the person of a negro citizen, then I believe that the United States would have the right to punish the person committing such crime.

Mr. CARAWAY. Then it has a right to punish any person who commits a crime in Iowa, whether it be against the personal property of a negro or against the personal property of a white man, if the State does not punish him.

Mr. CUMMINS. No; I did not say that, because there are many crimes that go unpunished that can not be punished where the perpetrator can not be ascertained.

Mr. CARAWAY. Of course. I mean where the State makes no serious effort to punish.

Mr. CUMMINS. I think if my State through a long series of years should withhold any attempt to punish crimes committed against negroes, whereas it made all the effort it could make to punish crimes committed against white men, then the United States would have the right to enter that field and punish the perpetrators of those wrongs.

Mr. CARAWAY. May I ask the Senator another question? Suppose the State of Iowa made it its particular duty to punish the stealing of cattle and was rather lax in punishing people who stole hogs. Does the Senator think the Federal Government then could punish the hog thieves in Iowa?

Mr. CUMMINS. My answer is that all the people of Iowa are entitled to the equal protection of the law.

Mr. CARAWAY. Of course, the Senator is going around the question.

Mr. CUMMINS. And that if the State authorities did not punish a certain class of people or a certain class of crimes, the citizen of Iowa, being a citizen of the United States, has a right to ask Congress to clothe its judicial tribunals with the authority to enforce the law.

Mr. CARAWAY. Then, the Senator will qualify the statement he made a while ago that there are certain crimes which the Congress could not include within Federal jurisdiction. He will say now the Federal Government can step into the States and punish all crimes?

Mr. CUMMINS. No; the Senator does not correctly repeat what I stated, but he does so unintentionally, of course.

Mr. CARAWAY. I was doing the best I could to get the Senator's position.

Mr. CUMMINS. What I said was that it would be very unwise and even impossible for the Federal Government to enter the State of Iowa and punish crimes committed there unless it was shown that the State of Iowa had abandoned or abdicated its duty with respect to certain persons or a certain class of people and crimes.

Mr. CARAWAY. I beg the Senator's pardon, but he has forgotten the original proposition, which was that the Senator said he thought there were some crimes the Congress had the power to extend the jurisdiction of Federal Government to embrace and others that it could not include. That was the Senator's statement.

Mr. CUMMINS. I did not state it in just that way. I stated it with the qualification just mentioned.

Mr. CARAWAY. I beg the Senator's pardon. I believe when he reads the reporter's notes he will discover it just as I have stated it.

Mr. CUMMINS. That may be so.

Mr. CARAWAY. I am not trying to be captious with the Senator. That was my understanding of what he said.

Since the Senator from North Carolina [Mr. OVERMAN] and the Senator from Iowa have gone into the proceedings of the committee, may I ask how many Senators expressed their belief that the measure was unconstitutional, and at the same time voted to report it?

Mr. CUMMINS. I do not know.

Mr. CARAWAY. Were there, enough, if they voted according to their belief as to its unconstitutionality, that it would have failed to be reported out?

Mr. CUMMINS. I do not believe so. I would not question the word of the Senator from North Carolina on any account, but I do not even recall that more than one Senator, at most, suggested that he reserved the right to vote differently, or change his vote, when the matter was under consideration in the Senate. I do not recall more than one; but my understanding is that the vote by which the bill as amended was reported was the deliberate expression of a majority of the committee. We had the matter under consideration many times before we came to a final vote.

Mr. CARAWAY. The Senator raised one other interesting question—

Mr. OVERMAN. Mr. President, will the Senator from Arkansas allow me to ask the Senator from Iowa a question?

Mr. CARAWAY. Certainly.

Mr. OVERMAN. I was very much surprised at the Senator from Iowa, if I understood him correctly. I understood him to say that if he had a doubt about the constitutionality of a question in favor of law, he would resolve the doubt in favor of law and against the Constitution.

Mr. CUMMINS. It depends upon the degree of doubt. There are a great many questions upon which lawyers differ with regard to their constitutionality. Some hold very decided convictions. Some are unable to reach any positive conviction. When we are determining whether a law is constitutional or unconstitutional we are attempting to project ourselves into the future and guess what the Supreme Court of the United States will do in the instant case. I do not know whether the Senator from North Carolina has that kind of doubt in mind or whether he has some other doubt in mind.

Mr. OVERMAN. I have great respect for the Senator and regard him as one of the best lawyers I have ever known and one of the best men, but I ask him if, without exception, the great law writers of the country for 100 years have not said that it is the duty of the legislator to resolve the doubt in favor of the Constitution, and if he does not do so he is as much a criminal as the man who deliberately violates the provisions of the Constitution.

Mr. CUMMINS. I have heard that expression. I do not accept it and do not adopt it.

Mr. OVERMAN. The Senator disagrees with those law writers?

Mr. CUMMINS. I make up my own mind with regard to the Constitution and I endeavor to follow, but when I make up my own mind there may be in my mind and often is in my mind—because we are dealing with constitutional questions all the time—not only upon the inquiry how do I think this matter ought to be decided, but how do I think the Supreme Court of the United States will ultimately decide it when it comes into that tribunal for decision. There is a great difference between those two things. I oftentimes have much doubt with regard to the manner in which the Supreme Court, as determined by their former decisions, will ultimately decide the question in issue.

My own conviction as to whether the matter is constitutional or not, and that difference in what one means when he says "doubt," is confusing.

A man can not have any doubt with regard to his own convictions. To him it is either constitutional or unconstitutional. But he can have a grievous doubt with regard to the ruling which will finally be made by the Supreme Court upon the question. Nothing better illustrates that than the ruling of the Supreme Court in the child-labor case. I had no doubt with regard to the constitutionality of that act, and I have none yet, although the Supreme Court has definitely said it was unconstitutional.

When one reviews the decisions of the Supreme Court upon the question we are now discussing or questions which are analogous to it, it is very easy to reach the conclusion that the decision of the Supreme Court upon that question is very doubtful. I do not think that kind of doubt ought to prevent any Senator from voting for a law if he believes it constitutional.

Mr. OVERMAN. The Senator must admit that the decision of the Supreme Court of the United States is the law.

Mr. CUMMINS. It is the law until it is reversed.

Mr. OVERMAN. Then when we come to vote upon that question, if the Senator votes contrary to the decision of the Supreme Court he does not uphold the law, but demoralizes and throws down the law by his vote.

Mr. CUMMINS. That depends entirely upon the decisiveness of the decision of the Supreme Court. I voted for an income tax law, and so did the Senator from North Carolina. I believe; at least most of his Democratic associates voted for it—

Mr. OVERMAN. Yes; I voted for it.

Mr. CUMMINS. After the Supreme Court had held that it was unconstitutional.

Mr. OVERMAN. There were four dissenting opinions there, and we thought they were correct when so many had dissented.

Mr. CUMMINS. I will say the latest decision of the Supreme Court. It was a time when the former Senator from Texas, Mr. Bailey, offered an amendment to an income tax measure which I had introduced and which I frankly said at the time was doubtful, so far as the ruling of the Supreme Court upon it was concerned, but it was offered and I hoped it would pass—and that was long before the constitutional amendment providing for an income tax law was enacted—so that we might get a further and more definite expression of that tribunal upon the subject.

Mr. McKELLAR. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. CARAWAY. I yield.

Mr. McKELLAR. I want to ask a question of the Senator from Iowa. In the deliberations before the committee was any authority of the Supreme Court of the United States cited at all in support of the constitutionality of this measure?

Mr. CUMMINS. We listened for hours to the reading of decisions of the Supreme Court, and I take it that every Senator who has any interest in the matter examined with exceeding care the decisions of the Supreme Court.

Mr. McKELLAR. The reason why I asked the question was because I have examined the cases which were cited by the Assistant Attorney General, and all of them were interstate commerce cases or cases hinging upon the interstate commerce clause of the Constitution. There was no case cited at all in point sustaining the bill as reported out by the committee.

Mr. CUMMINS. That simply shows the variety of the human mind. Those same decisions, as viewed by other minds and other lawyers, meant apparently a different thing. We had before us not only the decisions of the Supreme Court of the United States but half a dozen decisions of inferior tribunals—circuit courts of appeals, circuit court judges, and district judges—and we had before us four or five of the most learned briefs that could possibly be composed, some of them upon one side and some of them upon another.

Mr. McKELLAR. I was wondering if there was any particular decision upon which the bill was hinged, so to speak.

Mr. CUMMINS. Some of the most eminent lawyers in the United States have furnished briefs which proved to their satisfaction that there could be no question about the constitutionality of the bill; and it is clearly constitutional.

Mr. McKELLAR. Then, I shall change the form of my question.

Mr. CUMMINS. If Senators would let us get to the bill—

Mr. McKELLAR. We are right at it now.

Mr. CUMMINS. I know, but out of order.

Mr. McKELLAR. Yes; but we are talking about it just the same as if we were in order.

Mr. CUMMINS. I am not blaming the minority for the filibuster which is now being conducted.

Mr. McKELLAR. I am glad to hear the Senator say that.

Mr. CUMMINS. I do not think they ought to do it.

Mr. CARAWAY. I thought the Senator was joining with us.

Mr. CUMMINS. I think it is a proper rebuke to the majority. Here we have been for two years or more in complete power in the Senate, and we have refused or failed to modify the rules of the Senate so as to enable a majority of the Senators to bring the main question up to a vote. So long as we are willing to permit these antiquated, unjust rules to prevail, if I were opposed to a bill I would not consider that I was guilty of any moral crime if I employed all the rules of the Senate to prevent the bill coming to a vote.

Mr. McKELLAR. We are delighted to have the Senator's support. We thank him for it.

Mr. CUMMINS. I do not think Senators on the other side are right, for I say I think they ought to be in favor of the passage of this bill; therefore they ought not unduly to inter-



fere with its progress; but as to the reproach that I have heard cast upon my Democratic friends repeatedly for availing themselves of the present Senate rules, which are so ancient—I will not say honorable—that they belong to another civilization and another kind of government, I am not accusing those Senators of any wrongdoing in employing these artifices and these various devices in order to prevent a vote upon the bill.

Mr. McKELLAR. We are perfectly honest in our contention. The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from Arkansas [Mr. CARAWAY] has the floor.

Mr. CARAWAY. I merely desire enough time to congratulate the Senator—

Mr. CUMMINS. I feel deeply grateful to the Senator from Arkansas for permitting me to interpose my views in the midst of his speech.

Mr. CARAWAY. I assure the Senator from Iowa that I am delighted to have him give expression to his views.

Mr. SHORTRIDGE. Will the Senator from Arkansas yield for a question?

Mr. CARAWAY. I yield to the Senator from California.

Mr. SHORTRIDGE. In regard to the members of the Committee on the Judiciary, I wish to advise the Senator from Arkansas and the Senate that there is one member of the committee who did not attend the meeting of the committee when the bill was reported out. That member is a very honorable and, I think, a very able Senator, and a member of the political party of the Senator from Arkansas.

Mr. CARAWAY. Perhaps the Senator to whom the Senator from California refers had no notice of the committee meeting.

Mr. SHORTRIDGE. No, that was not the cause of his absence. I could tell the Senator from Arkansas why the Senator to whom I refer did not attend the meeting of the committee, but, at any rate, the Senator from Arizona, to whom I refer, as I understand, is in favor of the bill, and if it ever comes to a vote will so vote. I must assume, therefore, in view of his character and learning, that he believes the bill to be wise and constitutional.

Mr. CARAWAY. He may.

Mr. OVERMAN. The Senator from Arizona [Mr. ASHURST] did not attend a single meeting of the committee and heard no discussion of the bill. He was not present in the committee at any time.

Mr. CARAWAY. Then, under those circumstances, I can see why he might think the bill constitutional.

Mr. SHORTRIDGE. I have reason to know why the Senator from Arizona was not present.

Mr. OVERMAN. The Senator from Arizona may have had good reasons for not being present; but I am referring to the fact that he was not in the committee at any time when the bill was under consideration.

Mr. SHORTRIDGE. It is not proper for me to state the reason for his absence. I know why he did not attend the meeting of the committee and vote on the bill.

Mr. CARAWAY. I should think it would be proper for one to say anything about the bill that he desired, but some things would have to be said in private, as it would violate the rules of the Senate to say them publicly.

What I wish to do, however, is to thank the Senator from Ohio [Mr. WILLIS], who so ably helped Senators who are opposed to the pending measure to carry on the filibuster this afternoon. If he will be here to-morrow—and I hope he will—and will then be as active as he has been this afternoon, I know the country will be grateful to him for his attitude. I also congratulate the country that the Senator from Iowa [Mr. CUMMINS] has also consumed an hour or two of time in order to prevent the consideration of the bill. The Senator from California [Mr. SHORTRIDGE] also has risen a half dozen times in order to get the floor and continue for the remainder of the afternoon. I am in favor of the Senator having the floor. I love to hear him speak. I think that he is possibly the most eloquent man who has sat in the Senate since I have been in public life. I listen with much pleasure when he addresses the Senate. His reasoning is always good, though sometimes his conclusions are not in line with his argument. However, he is always interesting.

Also, the closing remarks of the Senator from Iowa were likewise interesting. He said that he did not blame the minority for filibustering, nor did he fall out with the Senator from Ohio or the Senator from Indiana for joining with us in the filibuster, but that he blamed the ancient and honorable rules of the Senate. If I may say so without being offensive, it seems that the Senator from Iowa thinks that anything that is ancient and honorable is entirely unworthy of consideration; that the ancient and honorable Constitution ought not to bind a Senator;

that if he has a doubt he should resolve that doubt in favor of action against the Constitution instead of for it; and likewise, I should judge, he classes the Constitution and the rules of the Senate as outworn and unsuited to the modern generation; that they were suitable for the builders of this Republic, but not at all adequate to take care of the rights of the people of the present day. I may not be quite translating into the exact language what the Senator from Iowa intended to say, but what I stated is about the impression I gained from his arguments.

Mr. CUMMINS. May I interrupt the Senator from Arkansas?

Mr. CARAWAY. Yes, sir.

Mr. CUMMINS. The Senator from Arkansas did not correctly understand me to say that the Constitution of the United States should not be observed.

Mr. CARAWAY. I heard the Senator from Iowa say that he had grave doubts about the constitutionality of the pending bill, and then that he would resolve those doubts in favor of supporting it.

Mr. CUMMINS. No; the Senator from Arkansas understood me to say, as I afterwards explained, that I had grave doubt with regard to the outcome in the Supreme Court of the section of the bill to which reference has been made by the Senator from Arkansas; I think it is section 6; but, of course, I satisfied my own mind with regard to its constitutionality before I gave my support to it.

Mr. CARAWAY. May I ask the Senator a question?

Mr. CUMMINS. Certainly.

Mr. CARAWAY. The Senator knows that the Supreme Court under the Constitution is the tribunal set up to determine whether an act of Congress is within its power or without it?

Mr. CUMMINS. Certainly.

Mr. CARAWAY. And, therefore, if the Senator believes that the Supreme Court, the tribunal set up by the Constitution to determine such questions, would hold that the act is not within the constitutional power of Congress to pass, he still says that he can afford to resolve that doubt in favor of the proposed law and against the Constitution.

Mr. CUMMINS. There is a vast difference between the two things.

Mr. CARAWAY. I am curious to know where the difference lies.

Mr. CUMMINS. The Supreme Court has more than once been a little vague, to say the least, in its decisions upon great public questions, and I may have a very serious doubt in regard to the ultimate ruling of the Supreme Court upon a bill and yet be very well assured in my own mind that the bill is constitutional.

Mr. CARAWAY. I think I understand the Senator. Then he agrees with the Senator from California [Mr. SHORTRIDGE], if I do not misrepresent him, who said on yesterday that he thought the Supreme Court would refuse to follow itself and follow him in the view that the proposed act is constitutional.

Mr. SHORTRIDGE. No; I did not say that.

Mr. CARAWAY. Did not the Senator from California say that in substance?

Mr. SHORTRIDGE. No; not at all.

Mr. CARAWAY. I believe if the Senator will read what he said he will find that is in effect what he said.

Mr. SHORTRIDGE. What I said, if the Senator will permit me, is this: I think there are two or three decisions of the Supreme Court—

Mr. CARAWAY. That are wrong.

Mr. SHORTRIDGE. Yes; to use that term.

Mr. CARAWAY. That is what I understand the Senator to say.

Mr. SHORTRIDGE. In my judgment, they are wrong. But let me explain with respect to that tribunal that I think not enough attention has been paid to section 5 of the fourteenth amendment to the Constitution. I think that under that section it is perfectly competent for Congress to determine what is appropriate legislation to the end of vouchsafing to a citizen of the United States full protection under the law. In that connection I am very sure there are other decisions of the Supreme Court which hold that if Congress adopts a given plan, considering it "appropriate legislation," the courts will not interfere, it being held that that is a legislative function and not a judicial one. Therefore, I conclude, and have always contended, that if Congress hits upon a form of legislation which it deems appropriate to safeguard the rights of a citizen of the United States guaranteed by the Constitution the Supreme Court will never interfere to disturb it.

Mr. CARAWAY. Then, as I understand the Senator from California, he thinks that if the Congress should see fit to enact any law touching the punishment of offenses and say that it deems that law appropriate legislation to enforce the



constitutional guaranties of equal protection of the law to the citizen, it might punish any and all crimes.

Mr. SHORTRIDGE. To answer that would require many words, and we have had enough words for the day.

Mr. CARAWAY. Very well. I am going to yield to the Senator in a little while.

Mr. SHORTRIDGE. I did not intend to reflect upon the Senator's remarks—

Mr. CARAWAY. Yes; I understood the Senator was very much interested in what I was saying.

Mr. SHORTRIDGE. But my views can not be expressed in a few words.

Mr. CARAWAY. At any rate, finally the Senator will have to express his views if he means to say that Congress does have the power to enforce all the laws of the States and to punish all offenses if it shall see fit, and that it deems it necessary in order to carry out the provisions of the fourteenth amendment to the Constitution.

Mr. SHORTRIDGE. I will undertake in a sentence, not desiring to detain the Senate for but a moment, to state my opinion.

Mr. CARAWAY. Very well.

Mr. SHORTRIDGE. Here is my view expressed offhand—and we can not always speak with perfect accuracy in that manner—I have in mind the fifth amendment to the Constitution.

Mr. CARAWAY. The Senator from Iowa put that out of consideration a while ago.

Mr. SHORTRIDGE. No; the Senator from Iowa did not do that.

Mr. CARAWAY. He tried to do so.

Mr. SHORTRIDGE. No; the Senator from Iowa did not.

Mr. CUMMINS. There is another difference of opinion as to that.

Mr. CARAWAY. The Senator from Iowa said that that was not where the authority for this proposed legislation was found.

Mr. SHORTRIDGE. Will the Senator permit me a brief statement of my views?

Mr. CARAWAY. All I want to say is this: That I hope Senators on the other side will finally get together upon the provision of the Constitution that gives to Congress the right to enact this proposed legislation. Three authorities have spoken, and they have not agreed.

Mr. SHORTRIDGE. I have said, and I repeat, that if called upon to cite those sections of the Constitution which I think give full support to my ultimate conclusion, I would cite first, paragraph 18, Article I, section 5 of the Constitution. If the Senator has a copy of the Constitution before him I will be glad to have him read it.

Mr. CARAWAY. Does the Senator refer to Article I?

Mr. SHORTRIDGE. To Article I, section 5, paragraph 18. I think I recall the section and paragraph.

Mr. CARAWAY. The Senator is mistaken, for there does not happen to be a paragraph 18 in section 5 of Article I of the Constitution. Section 5, I will say to the Senator, is on page 373.

Mr. SHORTRIDGE. I refer to the section which enumerates the powers of Congress.

Mr. CARAWAY. That is section 8, and it will be found on pages 375, 376, 377, and 378 of the copy of the document which is before us.

Mr. SHORTRIDGE. It begins "That Congress shall have power," and the particular provision to which I refer is, I think, in paragraph 18.

Mr. CARAWAY. The Senator has in mind, I presume, the provision which reads:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

That provision is found at the bottom of page 377.

Mr. SHORTRIDGE. Let me put in the record the provision I have in mind. I think I said Article I of the Constitution, section 5.

Mr. CARAWAY. Yes, sir; but that is under section 7.

Mr. SHORTRIDGE. The Senator is right. It is Article I, section 7, paragraph 18.

Mr. CARAWAY. Let us correct both of ourselves. It is section 8.

Mr. SHORTRIDGE. It is paragraph 18, at the bottom of page 377.

Mr. CARAWAY. Yes; but it is section 8.

Mr. SHORTRIDGE. That section reads:

To make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

I also rely upon amendment 5 of the Constitution, which, for the purpose of the record, I will have inserted.

Mr. CARAWAY. That is on page 390.

Mr. SHORTRIDGE. That is on page 390. And in order that anyone concerned with what is now going on may have it before his eyes, let us read it:

No person shall be held to answer for a capital or otherwise infamous crime except on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

I invite thoughtful minds to this language. This is not any inhibition against a State, observe. This is no inhibition against any department of our Government, State or Federal. It is in effect an affirmative declaration of certain rights and immunities of a citizen of the United States. Now, carry in mind the language first quoted, namely, that Congress has power to carry out the foregoing powers or any thereafter vested.

Mr. CARAWAY. Let me ask the Senator a question. Why did you add section 5 to amendment 14, then, if that was true?

Mr. SHORTRIDGE. I can explain that, and it has been explained by the law writers, as to why section 14 was adopted.

Mr. CARAWAY. No; I am talking about section 5 of amendment 14.

Mr. SHORTRIDGE. I did not catch the Senator's question.

Mr. CARAWAY. If you thought the powers just enumerated were so broad, why was section 5 added to amendment 14?

Mr. SHORTRIDGE. Oh, we did not add section 5 to amendment 14. Amendment 5 was one of the first amendments adopted.

Mr. CARAWAY. I did not say amendment 5; I said, "Why did you add section 5 to amendment 14?"

Mr. SHORTRIDGE. Oh! Similar language will be found in other amendments of the Constitution.

Mr. CARAWAY. I know; but why do it if the other authority was broad enough to cover it?

Mr. SHORTRIDGE. I claim that amendment 14 without section 5 would be broad enough to give power to enact this measure.

Mr. CARAWAY. Then why was section 5 added?

Mr. SHORTRIDGE. I think out of abundance of caution. I think those who framed those later amendments, out of abundance of caution, specifically used those words in order to confer upon Congress the power to do the things referred to.

Mr. CARAWAY. In other words, the Senator thinks it was not necessary, but the framers were just overcautious?

Mr. SHORTRIDGE. I believe the Senator may so state it.

Mr. CARAWAY. In other words, the men who wrote amendment 14 did not agree with the Senator's construction of paragraph 18 of section 8?

Mr. SHORTRIDGE. I can not tell what the great men of that period thought.

Mr. CARAWAY. At least, it seems that they did not.

Mr. SHORTRIDGE. I know that they used that language, and I think they used it knowingly, and I think it confers specific powers, very large and extensive powers, upon the Federal Government.

Mr. CARAWAY. It did not confer upon the Federal Government any authority broader than paragraph 18 of section 8, according to the Senator's contention.

Mr. SHORTRIDGE. I think not. I think the power of Congress was ample without that additional and specific delegation of power; but I rely, in response to the question, very largely upon amendment 14 to the Constitution of the United States. That amendment contains many things to which attention has not been called.

Mr. CARAWAY. I thought it had been pretty well fought over in the Supreme Court.

Mr. SHORTRIDGE. It has been pretty well emasculated and pretty well ignored, in my judgment.

Mr. CARAWAY. The Supreme Court went wrong on that section?

Mr. SHORTRIDGE. I think they did.

Mr. CARAWAY. And it is the belief now, if the Senator will pardon me, that the Senator can set the Supreme Court right by getting it to reconsider its decision?

Mr. SHORTRIDGE. Oh, as to this proposed legislation, I think the Supreme Court will hold it to be entirely constitutional.

Mr. CARAWAY. But it will have to reverse itself to do it?

Mr. SHORTRIDGE. No; not necessarily.

Mr. CARAWAY. I thought the Senator predicated his belief that this law was constitutional upon the statement that



the Supreme Court heretofore had erred in construing the Constitution.

Mr. SHORTRIDGE. But I added that I think it very easy to differentiate between the decisions that have been made and the one which will necessarily be rendered should this act come before the Supreme Court.

Mr. CARAWAY. Then that will not necessitate the Supreme Court being wrong, will it?

Mr. SHORTRIDGE. Not necessarily.

Mr. CARAWAY. But I think the Senator started out with the proposition that the Supreme Court was wrong, and it had not given due consideration to this amendment, and this new law was going to call to the attention of the Supreme Court wherein it had been wrong heretofore.

Mr. SHORTRIDGE. Oh, no; not put in that form. I answered the Senator from Arkansas in this way: I, with great respect, think that the decision of the Supreme Court on the civil rights bill was erroneous.

Mr. CARAWAY. That means "wrong."

Mr. SHORTRIDGE. I always have thought so, and I think so now; but I think this legislation is constitutional and will be so held, and that in order so to hold it will not be necessary for the Supreme Court to reverse decisions upon other phases of the Constitution.

Mr. CARAWAY. I beg the Senator's pardon. I thought yesterday he predicated his statement that he thought this act to be constitutional upon a statement that the former decisions of the Supreme Court were wrong.

Mr. SHORTRIDGE. The Senator will see that I hastened to add there that I did not think that those decisions would be out of harmony with the decision which would uphold this proposed legislation.

Mr. CARAWAY. I did not understand that part of the Senator's statement.

Mr. SHORTRIDGE. For the record, amendment 14 provides:

All persons born or naturalized in the United States and subject to the jurisdiction thereof are—

What? I pause—

Are citizens of the United States and of the State wherein they reside.

Not to prolong the matter, there is a very clear distinction between United States citizenship and State citizenship.

Mr. CARAWAY. Oh, let me ask the Senator—

Mr. SHORTRIDGE. I will show the Senator authorities for that proposition if he wishes them.

Mr. CARAWAY. There is a difference between residence and citizenship; but if a man is a citizen of my State he must be a citizen of the United States. He may be a resident of California and a citizen of Japan.

Mr. SHORTRIDGE. That is quite true.

Mr. CARAWAY. But I could not go with the Senator as far as he went.

Mr. SHORTRIDGE. I merely throw out the idea, which I thought was familiar and would be admitted, that there is a citizenship of the United States which is distinct in legal essence from State citizenship, and this provision here in the Constitution states who are citizens of the United States.

Then the section proceeds:

No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws.

Answering the Senator's question, I think that if the constitutional amendment had stopped there this proposed legislation would be constitutional; but I attach great importance to section 5.

Mr. CARAWAY. I thought the Senator said a while ago that section 5 was absolutely without any force and effect.

Mr. SHORTRIDGE. The Senator from Arkansas ought not to—

Mr. CARAWAY. Just wait a minute. The Senator from California said that under paragraph 18 of section 7 of the Constitution all these rights and immunities were guaranteed.

Mr. SHORTRIDGE. Yes, sir.

Mr. CARAWAY. And that the writers of amendment 14 merely added section 5 out of abundance of caution.

Mr. SHORTRIDGE. I so say.

Mr. CARAWAY. Then it does not add anything to it.

Mr. SHORTRIDGE. Oh, on the contrary, I say I attach great importance to section 5 of this amendment. Why do I? I may be wrong as to the force or scope of paragraph 18, quoted. I may be in error as to the scope or power of Congress or the Federal Government under amendment 5. I may be in error in my view that amendment 14 would be ample if it stopped at the first section; but now I say I attach great importance to section 5, which reads:

The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Mr. OVERMAN. Mr. President, will the Senator yield to me? Mr. CARAWAY. Certainly.

Mr. OVERMAN. All of this argument is based upon the assumption that there are some States of the United States that do deny their citizens the equal protection of the laws. Can the Senator sustain that assumption?

Mr. SHORTRIDGE. I hope to God it is not so; but if it is so, then this law covers such a case as that.

Mr. OVERMAN. Unless it is so, the Senator's argument falls to the ground.

Mr. SHORTRIDGE. Oh, of course, if no facts can ever be developed which make this law applicable, it is an idle thing for us to enact it. Of course, we must assume, however, that there are conditions, not limited to one section—and let no one think that I am speaking of sections—we must assume that there is a reason for the proposed legislation; but if the facts can never be developed, of course, our action is entirely nugatory.

There is another thing I should like to add, and if Senators care to pursue it they may. I respectfully call the attention of the Senate to the fact that there is such a thing as United States citizenship. If that be so, then my position is that that citizenship carries with it the right to life, to liberty, and to the possession of legally acquired property. If that be so, I further contend, I hold—and I would hold it if I had the honor to represent North Carolina here in the Senate—that this Government, this Nation, speaking through the Congress set up and established by the people through their Constitution, can pass such legislation as will protect the national citizenship in all these rights.

Ah, but you say that is invading the rights of the States. Oh, no; it is not. I submit that it is not. If the State affirmatively denies this protection, of course no one contends that the Federal Government could not step in; but if a State through nonaction denies the protection, or if the State—North Carolina, Alabama, Arkansas, California—shall be overrun, its machinery of government broken down, and its people deprived of life or liberty or property without due process of law, then my doctrine applies, that this Federal Government, your Government and mine, can protect the humble, the weak, the poor, the white, the black, whoever is within that territory denominated a State having American citizenship and claiming and entitled to the protection of the laws of the land. That is my view, that is my doctrine, and that is the view or doctrine of this proposed legislation.

Mr. CARAWAY. Mr. President, it is very enlightening to have the Senator's views upon the Constitution. It is to be regretted that such a great measure should be offered to the Senate and the country with those who favor it differing as to where the authority rests in the Constitution to grant to Congress the power to take away from the State its right to punish crime and transfer it to the Federal Government.

Mr. President, I admire the Senator from California. He is always interesting, but he was laboring under a very great deal of embarrassment in trying to differentiate between a citizen of the United States and a State citizen. Whenever he commences to talk about equal rights, the attitude of California toward the Japanese rises up to plague him, and it has to be explained, and the explanation is that the Japanese who is a citizen of California is not a citizen of the United States, and therefore the Constitution does not protect him. I can see the very great difficulty that confronts the Senator, and I admire his skill in getting ready to go around that question.

I shall add just this one word. I want to see the law enforced, and in my section of the country we do enforce it. I make the statement, based upon my own experience in the courts, that in the courts of my State a negro is protected in every right he has under the Constitution. In fact, if a white man shall descend to the level of the negro—and I use that language advisedly—and engage in litigation with him, he always loses his lawsuit, or nearly always. I do not recall a single incident in which a white man had a lawsuit with a negro and did not lose it. They hold that he ought not to dispute with him about his rights. They are careful of the negro's rights. This bill, as I said before, is merely an instrumentality of certain associations situated in New York, whose officers are white men who are working for a salary, to arouse the negroes and make it profitable to wage a contest in the Congress to have the Federal Government invade the sovereign States. I do not accuse the committee of having been a party to it, but it has been imposed upon. Those men so wrote the bill that it would not affect the peculiar manners of lynching people in California or Iowa but would reach those people in Arkansas and in Georgia. I absolve the committee from being

willingly the instrumentality of this organization, but that is the language of the bill, and if Senators favoring it had read it they must have known it.

Mr. President, I promised to yield to the Senator from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. President, I want to submit a few remarks upon this question.

The VICE PRESIDENT. The Chair is in doubt as to whether the Senator from Arkansas yielded the floor.

Mr. LODGE rose.

Mr. HEFLIN. If the majority leader is ready to adjourn until Friday at 12 o'clock, I am willing to yield for that purpose.

Mr. LODGE. I do not think the Senator from Alabama has the floor.

Mr. CARAWAY. I yield the floor.

Mr. HEFLIN. The Senator from Arkansas yielded to me.

Mr. LODGE. The floor can not be handed over by one Senator to another. A Senator has to be recognized by the Chair.

Mr. HEFLIN. He yielded to me, and then I proceeded in my own time.

The VICE PRESIDENT. The Chair was trying to find out whether the Senator from Arkansas yielded the floor.

Mr. CARAWAY. I yielded to the Senator from Alabama; I yield the floor.

Mr. LODGE. Mr. President—

The VICE PRESIDENT. If the Senator from Arkansas has yielded the floor, the Chair is going to recognize the Senator from Massachusetts.

Mr. HEFLIN. Then we ought to have a quorum. Very well; if the Senator wants to make a motion, I will withhold my point of no quorum.

#### ADJOURNMENT OVER THANKSGIVING DAY.

Mr. LODGE. Mr. President, I am satisfied from the inquiries I have made on both sides of the Chamber that it would be almost impossible to get a quorum in the Senate to-morrow, and I think we ought to adjourn over Thanksgiving Day. I move that when the Senate adjourns to-day it be to meet on Friday next at 12 o'clock.

The motion was agreed to.

The VICE PRESIDENT. The Chair will recognize the Senator from Alabama now if he desires recognition.

Mr. LODGE. Unless Senators desire to continue the debate—

Mr. HEFLIN. What was the motion? I was interrupted when the Senator from Massachusetts made a motion.

The VICE PRESIDENT. The motion was that when the Senate adjourns it be to meet on Friday, and the motion has been put and carried.

Mr. LODGE. Unless Senators desire to remain here to carry on the debate—

Mr. HEFLIN. I have no desire to speak now, if it is the wish of the Senate to adjourn.

Mr. LODGE. Very well; then I move that the Senate adjourn.

The motion was agreed to, and the Senate (at 4 o'clock and 55 minutes p. m.) adjourned until Friday, December 1, 1922, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, November 29, 1922.

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, as we are now approaching our national festival day, in which labor ceases and our firesides are made radiant with the joy of thanksgiving, in the sanctity of this quiet moment we would breathe: "Praise ye the Lord!" For the sacrifices, services, and the traditions of our forefathers we give Thee thanks; for the preservation of our free institutions we bless Thee; for bread enough and to spare we offer Thee our tributes of gratitude. Bless our President, the judicial and legislative branches of our Government, and may the spirit of Thy wisdom dwell with them. Be with all governors of the States and all who interpret the laws of our land. Direct our country on its errands of helpfulness. O let us work that which is good toward all men. May the law of justice be in our Nation's conscience, the law of truth in our country's will, the law of love in all hearts and the law of self-denial in all lives. O may the spirit of the Lord God be in the very soul of our Republic. May ignorance and intolerance fade away as the night

before the dawn. Bless all schools, all instruments of education, and all institutions of beneficence. O abide with our Republic and may it always be a defender of the helpless, an example for the oppressed, and a Christian light for the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were 36 yeas and 22 noes.

Mr. GARRETT of Tennessee. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 229, nays 99, answered "present" 1, not voting 103, as follows:

#### YEAS—229.

Anderson	Fairfield	Larson, Minn.	Reed, N. Y.
Andrew, Mass.	Faust	Lawrence	Rhodes
Andrews, Nebr.	Fenn	Layton	Ricketts
Appleby	Fess	Lea, Calif.	Riddick
Arentz	Fish	Lee, N. Y.	Roach
Atkeson	Foster	Lehlbach	Robertson
Bacharach	Frear	Lineberger	Rogers
Barbour	Free	Little	Rose
Beck	Freeman	Longworth	Rosendale
Beedy	Frothingham	Luce	Sanders, Ind.
Begg	Fuller	Lubling	Scott, Mich.
Benham	Funk	McDuffie	Scott, Tenn.
Bird	Gahn	McFadden	Shaw
Bixler	Gernerdt	McLaughlin, Mich.	Shelton
Bland, Ind.	Gifford	McLaughlin, Nebr.	Siegel
Boles	Glynn	McLaughlin, Pa.	Sinclair
Bond	Gorman	McPherson	Slemp
Bowers	Graham, Ill.	MacGregor	Smith, Idaho
Brooks, Ill.	Graham, Pa.	MacLafferty	Snell
Brooks, Pa.	Greene, Mass.	Madden	Snyder
Brown, Wis.	Greene, Vt.	Magee	Speaks
Burdick	Griest	Maloney	Sproul
Burton	Hadley	Mapes	Stafford
Butler	Hardy, Colo.	Merritt	Stephens
Cable	Haugen	Michener	Strong, Kans.
Campbell, Kans.	Hawley	Mills	Strong, Pa.
Campbell, Pa.	Hays	Millsbaugh	Summers, Wash.
Cannon	Henry	Mondell	Sweet
Chalmers	Hersey	Montague	Swing
Chandler, N. Y.	Hickey	Montoya	Taylor, N. J.
Chindblom	Hicks	Moore, Ill.	Taylor, Tenn.
Clague	Hill	Moore, Ohio	Temple
Clarke, N. Y.	Hoch	Moore, Ind.	Thorpe
Clouse	Hogan	Morgan	Tilson
Cole, Iowa	Hul!	Morin	Timberlake
Cole, Ohio	Humphrey, Nebr.	Mott	Tincher
Colton	Husted	Murphy	Towner
Connolly, Pa.	Hutchinson	Nelson, Mo.	Underhill
Cooper, Ohio	Ireland	Nelson, A. P.	Vare
Cooper, Wis.	James	Nelson, J. M.	Voigt
Coughlin	Jeffers, Nebr.	Newton, Minn.	Volk
Crago	Johnson, Wash.	Norton	Volstead
Cramton	Kahn	O'Connor	Walters
Crowther	Kearns	Paige	Ward, N. Y.
Curry	Keller	Parker, N. J.	Watson
Dale	Kelly, Pa.	Parker, N. Y.	Watson
Dallinger	Kendall	Patterson, Mo.	Webster
Darrow	Kennedy	Patterson, N. J.	White, Kans.
Dempsey	Ketcham	Perkins	White, Me.
Dickinson	Kiess	Perlman	Williams, Ill.
Dowell	King	Petersen	Williamson
Dupré	Kirkpatrick	Porter	Woodruff
Echols	Kissel	Pringley	Wurzbach
Edmonds	Kline, Pa.	Purnell	Wyant
Elliott	Knutson	Radcliffe	Young
Ellis	Kopp	Ransley	
Evans	Kraus	Reber	
Fairchild	Lampert	Reece	

#### NAYS—99.

Abernethy	Dominick	Lankford	Sandlin
Almon	Doughton	Larsen, Ga.	Sears
Aswell	Drewry	Lazaro	Smithwick
Bankhead	Driver	Lee, Ga.	Steagall
Barkley	Favrot	London	Stedman
Bell	Fields	Lowrey	Stevenson
Black	Fisher	Lyon	Stoll
Bland, Va.	Fulmer	McClintic	Summers, Tex.
Blanton	Garner	McSwain	Swank
Bowling	Garrett, Tenn.	Mansfield	Tague
Box	Garrett, Tex.	Mead	Taylor, Colo.
Briggs	Gilbert	Moore, Va.	Thomas
Buchanan	Goldsborough	O'Brien	Tillman
Bulwinkle	Hammer	Oldfield	Turner
Burke	Hardy, Tex.	Oliver	Tyson
Byrnes, S. C.	Harrison	Parks, Ark.	Upshaw
Byrnes, Tenn.	Hayden	Pou	Vinson
Carew	Hooker	Quin	Ward, N. C.
Carter	Huddleston	Rainey, Ala.	Weaver
Collier	Jeffers, Ala.	Raker	Wilson
Collins	Johnson, Ky.	Rankin	Wingo
Connally, Tex.	Jones, Tex.	Rayburn	Wise
Crisp	Kincheloe	Rouse	Woods, Va.
Davis, Tenn.	Kindred	Rucker	Wright
Deal	Lanham	Sanders, Tex.	



## ANSWERED "PRESENT"—1.

Sabath

## NOT VOTING—103.

Ackerman	Focht	Kunz	Ryan
Ansorge	Fordney	Langley	Sanders, N. Y.
Anthony	French	Leatherwood	Schall
Blakeney	Gallivan	Linthicum	Shreve
Brand	Gensman	Logan	Sinnot
Brennan	Goodykoontz	McArthur	Sisson
Britten	Gould	McCormick	Smith, Mich.
Brown, Tenn.	Green, Iowa	McKenzie	Steenerson
Burroughs	Griffin	Mann	Stiness
Burtness	Hawes	Martin	Sullivan
Cantrill	Herrick	Michaelson	Taylor, Ark.
Chandler, Okla.	Himes	Miller	Ten Eyck
Christopherson	Huck	Mudd	Thompson
Clark, Fla.	Hudspeth	Newton, Mo.	Tinkham
Classon	Hukriede	Ogden	Treadway
Cockran	Humphreys, Miss.	Opp	Tucker
Codd	Jacoway	Osborne	Vaile
Copley	Johnson, Miss.	Overstreet	Vestal
Cullen	Johnson, S. Dak.	Park, Ga.	Wheeler
Davis, Minn.	Jones, Pa.	Rainey, Ill.	Williams, Tex.
Denison	Kelley, Mich.	Reed, W. Va.	Winslow
Drane	Kitchin	Riordan	Wood, Ind.
Dunbar	Kleeska	Rolsdon	Woodyard
Dunn	Kline, N. Y.	Rosenberg	Yates
Dyer	Knight	Rosenbloom	Zihlman
Fitzgerald	Kreider		

The Clerk announced the following pairs:

On this vote:

Mr. Mann (for) with Mr. Sabath (against).  
 Mr. McArthur (for) with Mr. Clark of Florida (against).  
 Mr. Codd (for) with Mr. Cockran (against).  
 Mr. Smith of Michigan (for) with Mr. Taylor of Arkansas (against).

Mr. Osborne (for) with Mr. Jacoway (against).  
 Mr. Dunbar (for) with Mr. Brand (against).  
 Mr. Ryan (for) with Mr. Williams of Texas (against).  
 Mr. Burroughs (for) with Mr. Kitchin (against).  
 Mr. Kreider (for) with Mr. Overstreet (against).  
 Mr. Newton of Missouri (for) with Mr. Hudspeth (against).  
 Mr. Dunn (for) with Mr. Humphreys of Mississippi (against).

Until further notice:

Mr. Focht with Mr. Logan.  
 Mr. Davis of Minnesota with Mr. Cullen.  
 Mr. Jones of Pennsylvania with Mr. Kunz.  
 Mr. Dyer with Mr. Hawes.  
 Mr. Denison with Mr. Gallivan.  
 Mr. Reed of West Virginia with Mr. Sisson.  
 Mr. Shreve with Mr. Cantrill.  
 Mr. Ramseyer with Mr. Martin.  
 Mr. Michaelson with Mr. Drane.  
 Mr. Langley with Mr. Tucker.  
 Mr. Fordney with Mr. Sullivan.  
 Mr. Thompson with Mr. Linthicum.  
 Mr. McKenzie with Mr. Park of Georgia.  
 Mr. McCormick with Mr. Riordan.  
 Mr. Stiness with Mr. Rainey of Illinois.  
 Mr. Winslow with Mr. Johnson of Mississippi.  
 Mr. Rosenbloom with Mr. Griffin.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union with Mr. TILSON in the chair.

The Clerk reported the title of the bill.

The Clerk read as follows:

## TITLE VII.—MISCELLANEOUS PROVISIONS.

## TRANSPORTATION BY WATER OF GOVERNMENT OFFICIALS.

SEC. 701. (a) Any officer, employee, or agent of the United States, including legislative, judicial, diplomatic, and consular officers, and officers serving in the military or naval forces of the United States, traveling by water, when the expense of such passage is chargeable directly or indirectly to the United States, shall when practicable travel in a public vessel of the United States or a vessel registered, or enrolled and licensed, under the laws of the United States. When passage in such a vessel is not practicable, the voyage may be made in a vessel under a foreign flag only when specifically ordered by the head of the department or other Government establishment concerned or upon order specifically approved by such head of department or other Government establishment, who shall as promptly as possible report each such voyage made in a vessel under a foreign flag, together with the reasons showing necessity therefor, to the board.

(b) Any person subject to the provisions of subdivision (a) who fails to comply therewith in respect to the passage taken shall not be reimbursed for such passage money, or shall be surcharged in his accounts with the United States with the amount thereof, as the case may require.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 57, line 13, after the words "to the" strike out the word "board" and insert in lieu thereof the following: "the appropriate official in the Government department of which he is a member."

Mr. DAVIS of Tennessee. Mr. Chairman, I am in full sympathy with the general principle of this section. I think that all Government officials should be required to travel upon American ships whenever possible. My amendment provides that whenever they can not travel on American ships and do travel on a foreign ship, and make a report of the reason why they did so, they should not be required to make such report to the Shipping Board, but they should make it to their own department. The section provides that any officer, employee, or agent of the United States, including legislative, judicial, diplomatic and consular officers, and officers serving in the military or naval forces of the United States, traveling by order, when the expense of such passage is chargeable directly or indirectly to the United States, must make their report not to their own departments but to this all-powerful, autocratic Shipping Board, and that Shipping Board is to determine whether or not they were justified in making such passage, and they are thus given the power to determine whether or not the traveling expenses of such officials shall be paid. I say that no such power should be lodged in the Shipping Board. I say that the powers of other departments of the Government should not be thus invaded, and that such report should be made to the proper official of the department of which the traveling official is a member. That is what my amendment proposes to do, and that is all.

Mr. EDMONDS. The gentleman's amendment, if he wishes to accomplish what he proposes, is not necessary. Any employee who wants to travel in a foreign vessel under this act is required to report to his department and get orders to do so. The only reason the report is made to the board is for the purpose of finding out whether it was necessary for him to do so, and the only place you can find that out is in the board. The board can report back then to the head of the department and say whether he should have taken a foreign ship. If the gentleman wants to make the statement that this is something new for the autocratic board, to say whether a man can travel in a ship or not, then let anyone read the section, and he will see that it is not so.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. EDMONDS. Yes.

Mr. LEHLBACH. Is not the gentleman from Tennessee [Mr. DAVIS] in error when he says that the officer, employee, agent, and so forth, must report to the Shipping Board? Does not the section say that the report shall be made to the head of the department?

Mr. EDMONDS. That is correct.

Mr. LEHLBACH. And the head of the other department is the sole person who may order these people to travel on the foreign ships.

Mr. EDMONDS. That is correct.

Mr. LEHLBACH. And the only report made to the Shipping Board is of that fact, not by the subordinate but by the head of the department, so that the board may have a record of it.

Mr. EDMONDS. That is correct.

Mr. DAVIS of Tennessee. But I call attention to the fact that, in lines 11 and 13, this section expressly provides—

who shall as promptly as possible report each such voyage made in a vessel under a foreign flag, together with the reasons, showing necessity therefor, to the board.

The very next section provides that they shall not be paid unless the reasons are accepted.

Mr. EDMONDS. Will the gentleman read lines 9 and 10?

Mr. DAVIS of Tennessee. Oh, yes; they may also report, but the final report is to be made to the Shipping Board.

Mr. EDMONDS. By the head of the other department. That is what it says—by the man who gives them permission to ride on a foreign ship. He makes the report to the Shipping Board.

Mr. DAVIS of Tennessee. It says—

when specifically ordered by the head of the department or other Government establishment concerned or upon orders specifically approved by such head of department or other Government establishment.

That is, when he is ordered to make the trip.

Mr. EDMONDS. Yes.

Mr. DAVIS of Tennessee. But the report of his reasons for traveling on a foreign ship shall be made to the board.

Mr. EDMONDS. By the head of the department.

Mr. DAVIS of Tennessee. Oh, no.

Mr. EDMONDS. It so says.

Mr. DAVIS of Tennessee. I do not agree with the gentleman; but suppose that to be true, why should the head of any other department be required to make these reports to the Shipping Board?

Mr. EDMONDS. In order to determine whether the board could have supplied the transportation.

Mr. DAVIS of Tennessee. Yes; as I say, in order for the Shipping Board to determine the reason.



The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. Yesterday afternoon just before adjournment the chairman of the committee, the distinguished gentleman from Massachusetts [Mr. GREENE], put into the RECORD a telegram received from Malcolm Stewart, chairman of the Middlewest Merchant Marine Association, sent from Milwaukee, Wis., dated November 28, indorsing in effect the provisions of this bill.

I note in a copy of the Washington Post, in a dispatch dated November 27, 1922, among other things, the statement that three of the prominent speakers who spoke in favor of the merchant marine were E. C. Plummer, of the United States Shipping Board; Matthew Hale, president of the South Atlantic State Association; and Malcolm Stewart, chairman of the committee. There is considerable significance in connection with that statement. This Malcolm Stewart, whose telegram the chairman inserted into the RECORD, is the same Malcolm Stewart who appeared before our committee in May and deliberately asserted that if this bill did not provide for at least a five-year extension of the established trade routes now operating for the benefit of the Middle West commerce, he would oppose the bill and could not give it his approval. I want to read very briefly from the record exactly what he did say in that connection. I asked him the question: Whether, if the finding of the joint committee should not approve and indorse the amendment he had suggested in the bill, to guarantee the operations of these trade routes for a period of the next five years, but left the option to the Shipping Board, as now expressed in the bill, of doing what they think proper, he would indorse the bill under those circumstances, and Mr. Stewart said that he did not believe he would.

This same Matthew Hale, who was also mentioned in connection with this telegram, when before the committee, I asked whether he would favor the passage of this bill if he thought it contemplated the sale in bulk or in gross of the entire fleet within the next 30 months without any limitation on the operation of established trade routes, and he said no; that he would not. I then asked him whether he would oppose it, and he said he would; that he had so stated many times.

Mr. EDMONDS. Will the gentleman yield?

Mr. BANKHEAD. I can not yield. These are the very same gentlemen who as representatives of their respective localities and communities offered an official amendment which I sought to have incorporated in this bill when we had that section under consideration, guaranteeing for five years the operation for the Middle West of shipping facilities for the trade routes which we had established, and it seems that Mr. Matthew Hale and Mr. Malcolm Stewart, under the sponsorship and leadership of Mr. E. C. Plummer, of the Shipping Board, traveling at Government expense, forsaking his duties in Washington, where he should be attempting to reduce the extravagant expenditures of the Shipping Board—Mr. Plummer, of the Shipping Board, has now taken those two apostates, Stewart and Hale, under his wing and has gone off and now is undertaking to sell to the citizens and taxpayers of the Middle West this 18-carat gold brick you are seeking to foist upon the people of America. [Applause].

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman withhold that? I want to offer an amendment and one more parting shot. Five minutes is all I ask. I want to offer a genuine amendment.

Mr. EDMONDS. Does the gentleman want to offer a genuine amendment to the section?

Mr. HARDY of Texas. To this section.

Mr. EDMONDS. And speak to the amendment?

Mr. HARDY of Texas. I do.

Mr. EDMONDS. All right. I will move that all debate close in five minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

Mr. HARDY of Texas. Mr. Chairman, I offer the amendment which is to be attached to the end of the section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas: Page 57, after line 18, insert: "Provided, That the Shipping Board shall be authorized to prescribe reasonable rates for services performed by privately owned United States vessels under this section."

Mr. HARDY of Texas. Now, Mr. Chairman and gentlemen, here is a section of this bill which requires that every officer, employee, or agent of the United States, and any legislative, judicial, diplomatic, and consular officer shall, when it can be done, travel by a privately owned ship of the United States or upon Government ships, and the bill proposes to turn all Army and Navy transportation over to the privately owned ships. When we require by law that officials of the Government on Government service shall travel by these subsidized vessels it does seem to me that we ought to require the Shipping Board to prescribe reasonable charges for that service. Here we are transporting troops, say, to Manila, and it may be that private ships are called into requisition to do it, the law absolutely compelling the military authorities of the Army to utilize these private ships, and there is not one syllable anywhere in this bill that authorizes any department of the Government to require reasonable rates for that service. It might be that foreign ships are willing to transport those men at \$100 from San Francisco to Manila, and our privately owned ships would want \$200, but they must go that way according to this provision, and I want the proviso to be added to it providing that the Shipping Board may have the right to prescribe reasonable charges for the service. That is all, gentlemen. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken, and the Chair announced the yeas appeared to have it.

On a division (demanded by Mr. HARDY of Texas) there were—yeas 68, yeas 93.

So the amendment was rejected.

The Clerk read as follows:

#### TRANSPORTATION OF GOVERNMENT SUPPLIES.

SEC. 702. All goods, wares, merchandise, and material of every nature (including supplies for the military or naval forces of the United States) belonging to or intended for the United States, transported by water, shall when practicable be shipped in a public vessel of the United States or a vessel registered, or enrolled and licensed, under the laws of the United States. When shipment in such a vessel is not practicable and the shipment is made in a vessel under a foreign flag, it shall be the duty of the officer, employee, or agent of the United States authorizing or making the shipment, within one month thereafter, to mail a written notice to the board, stating the ports of departure and destination, the date, the name of the vessel, and the reason why the shipment was not made in a public vessel or a vessel registered, or enrolled and licensed, under the laws of the United States.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 58, line 6, after the words "notice to the" strike out "board" and insert in lieu thereof the following: "proper official of the Government department of which he is a member."

Mr. DAVIS of Tennessee. Mr. Chairman, this is an amendment along the same line as the one I last offered, except it refers to shipment of materials and supplies instead of passenger travel. Some gentlemen on the other side quibbled over the language of the other, but this language is plain and I want to read it for your own information:

When shipment in such a vessel is not practicable, and the shipment is made in a vessel under a foreign flag, it shall be the duty of the officer, employee, or agent of the United States authorizing or making the shipment, within one month thereafter, to mail a written notice to the board, stating the ports of departure and destination, the date, the name of the vessel, and the reason why the shipment was not made in a public vessel or a vessel registered, or enrolled and licensed, under the laws of the United States.

Now, my motion simply is to strike out the word "board" and insert the name of the appropriate official in the department of which such officer or agent is a member.

Now, what is the consequence of this? This section provides that "All goods, wares, merchandise, and material of every nature (including the supplies for the military or naval forces of the United States) belonging to or intended for the United States, transported by water, shall, when practicable, be shipped," and so forth, and no exception is made in case of war. Consequently, if we should become involved in war and the Navy or the Army desires under the preceding section to transport troops, or under this section desires to ship munitions or any other supplies and it is necessary to do so upon a foreign ship, or upon a ship of an ally in the war, they would be required, even in the midst of war, to make a report of their reasons and all about it to this autocratic Shipping Board, for their approval or disapproval. Now, the question is whether you want to give such extraordinary powers to this



board, not only in time of peace but in time of war, and in respect to every branch of this Government. I ask for a vote. [Applause.]

Mr. LEHLBACH. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New Jersey [Mr. LEHLBACH] is recognized in opposition to the amendment.

Mr. LEHLBACH. Mr. Chairman, the gentleman from Tennessee [Mr. DAVIS] is unduly alarmed concerning the autocratic powers given to the Shipping Board under this section. No powers whatever are given to the Shipping Board by this provision.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield for a question?

Mr. LEHLBACH. Yes.

Mr. ANDREWS of Nebraska. When was the Shipping Board created?

Mr. LEHLBACH. In 1916, under a Democratic administration and upon the recommendation of a Democratic President.

Mr. ANDREWS of Nebraska. It is therefore autocratic? [Laughter.]

Mr. LEHLBACH. Yes; it is therefore autocratic.

No power is given to the Shipping Board to control any shipment of supplies or goods by any department of the Government whatsoever. The only thing this section provides is that where it is necessary for an official of the Government to ship supplies or goods on foreign vessels he shall report that fact to the Shipping Board, in order that the board may have information that the American Government has not facilities for shipment at that place, so that this board may, upon the information brought home to it of the necessity for American service at that point, take appropriate action to provide it.

I move, Mr. Chairman, that all debate on this section and all amendments thereto close in five minutes, those five minutes to be used by the gentleman from Texas [Mr. BLANTON].

The CHAIRMAN. In the confusion the Chair did not catch the wording of the gentleman's modified motion.

Mr. LEHLBACH. I did not modify it. It is the original motion, that all debate on this section and all amendments thereto be closed in five minutes, the five minutes to be used by the gentleman from Texas [Mr. BLANTON].

Mr. LONGWORTH. That would require unanimous consent, but I give mine.

Mr. CLARKE of New York. I rise in opposition to that proposal. [Laughter.]

The CHAIRMAN. The proposal is not debatable. Is there any point of order raised against the form of the motion? If not, the Chair will put it. The question is on agreeing to the motion of the gentleman from New Jersey.

The motion was agreed to.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. There is an amendment already pending.

Mr. BLANTON. I offer it for information.

The CHAIRMAN. Without objection, then, the amendment will be read for the information of the House. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 57, line 20, strike out all of section 702.

Mr. BLANTON. Mr. Chairman, I hope the House will not tie the hands of the Navy and of the Government by passing any such a provision as this section.

We have in the Navy now between 600 and 700 boats that are subject to the orders of the Secretary of the Navy in time of war. If we pass this provision we could not transport any of our military supplies in those boats without having a controversy with the shipowners concerning those ships that are subsidized by this bill. They would claim that they have the right to ship every portion of our military supplies and be paid for it by the Government, notwithstanding the fact that the Government has 600 or 700 naval ships upon which many of these supplies could be shipped.

That is just an illustration of the way in which we are seeking to tie the hands of this Government at the expense of the people of this Nation.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment. Strange as it may seem, I find myself in direct accord, for one time at least, with the American Federation of Labor and with Mr. Samuel Gompers. I want to commend every single suggestion that he this morning made to every Member of this House with reference to this bill.

What did he suggest? Let me read a few of his suggestions. He says that he is convinced that in the recent election the country displayed its hostility to this subsidy. He says that after careful study the American Federation of Labor has failed to find anything in this bill that is constructive and helpful, and that he condemns it without reservation. He says—

Mr. EDMONDS. Mr. Chairman, will the gentleman yield there?

Mr. BLANTON. He says that the debate has served only to increase his condemnation. He says we are expending the people's money stupidly, if not criminally. He says that in order to pass this bill the shipping interests have used methods more subtle than bribery. He says that the bill is the most brazen Treasury-looting scheme ever devised. He says that the framers of this measure have wrongfully sought to take refuge in patriotism. He says that labor denounces this bill as a fraud and as a robbery and as wholly indefensible, and for one time in my life I say "Amen" to every single suggestion that this distinguished president of the American Federation of Labor to-day makes to the membership of this Congress. [Applause.]

Mr. LEHLBACH. And the gentleman is now following the leadership of Samuel Gompers.

Mr. BLANTON. In this particular instance I am working in double harness, shoulder to shoulder, with the American Federation of Labor and its president to save the people of this country from the results of this awful ship subsidy bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on agreeing to the amendment of the gentleman from Texas.

Mr. HARDY of Texas. Mr. Chairman, I have a perfecting amendment to the proposal to strike out. There should be a vote on mine first.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question being taken, the amendment was rejected.

The CHAIRMAN. The gentleman from Texas [Mr. HARDY] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas: Page 58, line 10, after the words "United States" insert: "Provided, that the Shipping Board shall have the right to prescribe reasonable rates and charges for services performed under this section."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question being taken, the amendment of Mr. HARDY of Texas was rejected.

The CHAIRMAN. Does the gentleman from Texas [Mr. BLANTON] insist on his motion to strike out?

Mr. BLANTON. I take it that it would be futile in the present atmosphere, so I withdraw it.

The CHAIRMAN. The gentleman asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### REPORTS BY SHIPPING BOARD.

SEC. 703. The second paragraph of section 12 of the shipping act, 1916, is amended to read as follows:

"It shall, on or before the 1st day of December in each year, make a report to the Congress, which shall include its recommendations and the results of its investigations, a summary of its transactions, a statement of all expenditures and receipts (including the merchant marine fund and the construction loan fund), and of the operations of the Emergency Fleet Corporation and of any corporation which is managed or controlled by the board, and the names and compensation of all persons employed by the board."

Mr. CARTER. Mr. Chairman, I move to strike out the last word. A great many absurd claims have, in my opinion, been made for this ship subsidy bill, but the most absurd of all is that it will benefit the farmers and laboring people of the country. The difficulty with certain gentlemen is that they underestimate the intelligence and understanding of the producing classes of this country. There may have been a time in the past when such statements would mislead the great mass of producers of this land, but the farmers and working people have learned a few things within the past few years. They know that this measure is being fostered and promoted strictly in the interests of those few persons who expect to own and operate ships, and that any assertions to the effect that the farmers and laboring people will prove the beneficiaries constitutes pure unadulterated bunk. They know that a subsidy is a sort of bonus given to some company, institution, or class for performing some alleged service on behalf of the public and that such bonus is given in addition to the regular charges made in their rates and fare. They understand that a ship subsidy is a bonus given to the ship operators for performing some alleged service and

that this bonus is paid from the Treasury of the United States. They understand that the money is placed in the Treasury of the United States from taxes which are assessed upon all the people in one way and another, and that the subsidies and bonuses carried in this bill are a donation to a class of special interests, which must be paid by taxing all others. Gentlemen representing agricultural and labor districts will have a difficult time convincing their people that they are benefited by a system which taxes money out of their pockets and places it in the coffers of the Shipping Trust and other special interests.

The best evidence of how the great producing classes of this country look upon this measure is the expression that has been given by their own organizations. Since debate began on this bill protests against the passage of any character of ship subsidy has been voiced under resolutions read into the RECORD from practically every farming organization in the United States. Protests from many labor organizations have also been presented to show their feeling in the premises, but one of the strongest arguments yet put forth is that contained in the letter of the President of the American Federation of Labor under date of yesterday. Since our friend from Texas [Mr. BLANTON] has brought himself into complete accord with union labor I would suggest that it is now appropriate to have the full letter of Mr. Gompers spread in the RECORD, and I therefore ask unanimous consent that it be read from the Clerk's desk in my time.

The CHAIRMAN. The gentleman asks unanimous consent for the reading of the letter indicated by him in his time. Is there objection?

Mr. UNDERHILL. I object.

The CHAIRMAN. Objection is made.

Mr. CARTER. Then I will read it myself.

Mr. UNDERHILL. The gentleman has the right to read it himself.

Mr. CARTER. Mr. Gompers's letter is as follows:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., November 28, 1922.

SIR: Because the ship subsidy bill is to come before you on Wednesday for a vote, I take the liberty of communicating with you at this time in order to lay before you a point of view which will, I am sure, impress you as worthy of consideration.

I am convinced that the country in the recent election intended to convey, among other things, its hostility toward the proposed subsidy. However, there are others who either do not so interpret the country's decision or who do not see fit to follow the country's decision.

It is unlikely that anyone has given the subsidy bill more careful study than has the American Federation of Labor. We have tried to find if by any possibility there was anything constructive and helpful in the measure. We are bound, as the result of study, to condemn the measure without reservation.

If study of the bill itself has failed to convince labor of its soundness, the debate upon it thus far has been equally without result. Little that has been said in official circles indicates any real understanding of the subject.

When former subsidy bills were before Congress the whole cry was "Ships, ships, ships; give us ships and we will have a merchant marine." Now we have the ships and the one great question is, What are we going to do with them? We can not compete, so it is stated; and as things really are, it is largely true.

Within the last two years the shipowners and the Shipping Board have done their utmost to destroy what skill and efficiency exist on American vessels at sea. That they are doing this consciously is not conceivable. They are doing it, however, and evidently because they do not understand that the human element in shipping, as in all other competition, is the determining factor. While we are driving all the skilled men from the sea, England is drawing to herself the skilled men by her policy. This last spring England adopted the policy of gradually getting rid of inefficient men. She is doing it by a combination between the seamen themselves through their organization, the shipowners through their organization, and the board of trade. The officers on the vessels provisionally select the men, who then go to the office of the union, to be further passed upon under a regulation known as port consultant regulation No. 5. Under this system and the wages paid, she is drawing to herself the efficient men and pushing the inefficient men over to us.

When the war ended Germany had no ships. She had shipowners who knew commercial geography, and therefore were to have their ships, if possible, at a given time. She had officers and seamen who could handle ships at sea and in harbor and keep those ships out of the repair yards. She is coming back into ocean carrying with the speed of a race horse. We have the ships, but our shipowners seem to have no understanding of the world's freight market or commercial geography, nor any appreciation of the skill and efficiency needed on board of vessels, and we are spending money stupidly if not criminally. Why is it that business men who ordinarily have common sense seem to be incapable of realizing that in the competitive business success is determined by the human element to the extent of at least 75 per cent, while something less than 25 per cent is dependent upon the material element?

The subsidy bill now before you will not bring men and competence into the merchant marine. It will bring enormous sums of money into the pockets of a group of subsidized shipping financiers, and this group will constantly grow smaller under the monopoly-creating provisions of the bill.

Labor's position on the question of subsidy remains without change. The most strenuous efforts have been made to bring about a change in this position. In earlier years shipowners resorted to attempts at bribery, these being matters of official court record. I know of no such crude efforts in connection with the present bill, but in abundant measure friends of the bill have used subtler methods. Our position on this

bill, however, is based on a study of the bill itself. It is without doubt one of the most brazen Treasury-looting schemes ever devised.

And scoundrelly measures, like scoundrelly men, take refuge in patriotism when no other offers. The bill is urged on grounds of patriotism. It is difficult to think of anything more unfitting.

This bill will not give America a merchant marine, though it may give us a bankers' marine. Labor joins with all others who want a well-manned, adequate merchant marine. But it denounces this bill as a fraud, a robbery, and wholly indefensible.

Let it not be forgotten, either, that once enacted the bill must remain in force for 20 years. Contracts made for that length of time will tie the hands of future Congresses.

I am laying these views before you in behalf of the executive council of the American Federation of Labor and in conformity with the findings on the subject as approved by the last convention of the American Federation of Labor.

Sincerely hoping that the above may receive your early and favorable support, I am,

Very truly yours,

SAM'L GOMPERS,

President American Federation of Labor.

Hon. CHARLES D. CARTER,  
House Office Building, Washington, D. C.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAMTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Michigan is recognized in opposition to the pro forma amendment.

Mr. CRAMTON. Mr. Chairman, yesterday an amendment was adopted with reference to the nonpayment of this subsidy to owners of vessels where liquors had been transported on such vessels. Of course the intent of the House was in the direction of the enforcement of our prohibitory laws. Many of us are very much afraid that the effect of the amendment, if it should become a law, would be the opposite of what was intended. There is existing a penal statute against the transportation of liquors under those conditions. That penal statute is being sustained by the courts. The provision adopted yesterday it is true is not a penal statute, but it is the imposition of a penalty by the withholding of a subsidy. It is not as strong or as far-reaching in its terms as the existing law, and the adoption of it at this time by Congress might lead to complications. On the one hand it can accomplish nothing desirable, because there is already sufficient law. On the other hand, by reason of complications that it might introduce as to what was the intention of Congress, it might even be argued that it was intended to supplant the existing penal statutes. For these reasons it is to be hoped that when the committee rises the amendment adopted yesterday will not be concurred in by the House.

Mr. LINEBERGER. Will the gentleman yield?

Mr. CRAMTON. In just one moment, when I have uttered one more sentence. I shall ask a separate vote on the amendment and hope that it will then be voted down. In that connection I invite the attention of the Members of the House to the statement of the Anti-Saloon League and the Woman's Christian Temperance Union on this matter, which I inserted in the RECORD yesterday on page 269. Now I yield to the gentleman from California.

Mr. LINEBERGER. On what page is the amendment?

Mr. CRAMTON. The amendment is on page 269.

Mr. HILL. Will the gentleman yield?

Mr. CRAMTON. I yield to the gentleman from Maryland.

Mr. HILL. I should like to ask the gentleman why it was that his orders which he received from Wayne B. Wheeler were dated Toronto, Ontario? Is the House taking orders from Canada now?

Mr. CRAMTON. The gentleman has been keeping such close watch on St. Louis, Mo., from which he has been taking his orders [laughter], that he has evidently overlooked the fact that there has been a world convention of those believing in temperance held in Toronto, Ontario.

Mr. HILL. Then is Wayne B. Wheeler now in Ontario?

Mr. CRAMTON. No; the gentleman had better watch out. Mr. Wheeler is in Washington.

Mr. HILL. And the gentleman is against this amendment?

Mr. CRAMTON. I am against it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CRAMTON. I yield to the gentleman from Alabama.

Mr. BANKHEAD. On yesterday I offered a real, bona fide prohibition amendment—

Mr. CRAMTON. Does the gentleman desire to ask a question?

Mr. BANKHEAD. The amendment of the gentleman from Pennsylvania was not a prohibition amendment, and on a separate vote in the House I trust the amendment of the gentleman from Pennsylvania will be defeated.

Mr. CRAMTON. I think the gentleman will admit that no such provision is needed in the law; that we have sufficient law already.



Mr. MILLS. Will the gentleman yield for another question?

Mr. CRAMTON. If I have the time.

Mr. MILLS. As I understand it, the House yesterday adopted an amendment to this bill relating to prohibition. Since yesterday the gentleman has heard from the Anti-Saloon League.

Mr. CRAMTON. No; the gentleman is incorrect. I heard from it yesterday, as the Record will demonstrate.

Mr. MILLS. I should like to ask the gentleman whether he is solemnly asking this House to reverse the vote taken yesterday because the Anti-Saloon League objects to that vote?

Mr. CRAMTON. Not at all, but because the action taken yesterday was undesirable; and I hope that those who are sincerely interested in this movement will not be afraid to take advantage of a little information that comes from those who are making a particular study of the question, whether they come from New York or not.

Mr. MILLS. May I say to the gentleman that I think he is asking this House to make itself ridiculous?

Mr. CRAMTON. I am sure the gentleman from New York can never make himself any more ridiculous on this question than he has for some time past.

Mr. WINGO. Mr. Chairman, I do not like to let the bill pass without saying what I think is a deserved tribute to the Republican organization in the handling of this bill. They have used considerable finesse. There were a good many weak sisters on the Republican side who were between two fires—one the outraged conscience of their constituents and the other the demands of the administration to pass this bill. It was recognized that the bill could not be passed in the form in which it was reported to the House and in which the President demanded you should pass it. So they have adopted the old scheme that those who are experienced in legislative procedure recognize of saying to those gentlemen, "Now, we are going to give you ample opportunity to show the defects of our bill and we sincerely want to meet the objections, throw it open to amendment, and give you plenty of time." Of course, there were some provisions that the leaders were willing to use for trade purposes and for skid purposes to let those gentlemen down easily into the organization pool. Some of the gentlemen, after serious consideration and prayerful consideration, believe that they can vote for it. Of course, the administration does not have much hope of this bill becoming a law, but they think by bringing it out they can get you hog tied so that in the future you will favor the legislation. They think that if they put the bill through the Senate they appreciate the wisdom of having you gentlemen hog tied, having met your captious objections, as they call it, in the consideration in the House, and when the bill is written as they really want it in conference and it comes back here you have got your feet wet, they have got you lined up with the organization, and you will take your orders, and you will follow the line of least resistance and continue to vote with the gang and vote for the conference report, although it may contain some of the objectionable features which you have fought the last few days and which you will advertise to your constituents as a great victory on your part.

The tragedy of the bill is that instead of building up an independent merchant marine—and if it did do that there would be some justification for you gentlemen in voting for the infamous scheme—but the tragedy of it is that instead of building up an independent merchant marine it will tend to prevent the building up of an independent merchant marine; and this bill, if it becomes a law, would have only one net result, and that would be that under the specious plea of building up an independent merchant marine you would have paid out of the Treasury a subsidy to gentlemen who do not need it and who are not moved by patriotic motives when they ask you to give them this grab and this raid on the Treasury. [Applause.]

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and amendments thereto be closed.

The motion was agreed to.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

#### RATES OF INTERSTATE WATER CARRIERS.

SEC. 704. The last three paragraphs of section 18 of the shipping act, 1916, are amended to read as follows:

"Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water.

"No such carrier shall demand, charge, or collect a greater or less compensation for such transportation than the rates, fares, and charges filed in compliance with this section, except with the approval of the board and after 15 days' public notice in cases of increases and 5 days' public notice in cases of reductions, in the form and manner prescribed by the board, stating the increases or reductions proposed to be made; but the board for good cause shown may waive such notice.

"Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice, demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced the just and reasonable rate, fare, or charge, or the maximum or minimum, or the maximum and minimum, to be charged, or the just and reasonable classification, tariff, regulation, or practice."

Mr. ANDREW of Massachusetts. Mr. Chairman, some surprise has been expressed that a Representative from Massachusetts on this side of the House should keep an open mind upon the merits or demerits of this bill. The obvious and perhaps expected course for such a Member to follow—the easiest way—is to support this bill. To me that course appeals very strongly because the bill is sponsored by my beloved and respected colleague, the dean of the Massachusetts delegation. But no Member wants to see a bill put through which involves a large expenditure of the public money unless he is convinced that that expenditure will bring at least an equal return, and will not constitute a bad precedent for future legislation. Nor ought it to be assumed that all of the Representatives from a particular section of the country must inevitably think exactly alike upon all public questions. It will be a very unfortunate day for this country of ours, if ever it arrives, when the representatives of particular geographical sections all come to think and vote together like mechanical automatons. It will mark the end of our United States.

I can claim no expert knowledge upon this question. There is nothing that I can add to what has been said. But I have followed the debates on both sides with intense interest, and I have reluctantly come to a different conclusion from many, or most, or perhaps all of my New England colleagues. I believe that this bill, which involves a possible expenditure of a billion dollars of the people's money during the next decade, is not likely to reduce shipping charges substantially or bring an equivalent benefit to the country as a whole. And I believe that, if adopted, it will offer another precedent in the way of Federal aid and paternalism which will plague us for the rest of our days. I should like the privilege of presenting to the House very briefly my reasons for voting against this measure.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. ANDREW of Massachusetts. The ship subsidy bill has been greatly modified during the last three days and has been substantially bettered on the floor of the House through the elimination of several of its most objectionable features. When the committee presented the bill to the House last week one provision was that \$125,000,000 of Government money could be loaned to shipbuilders for 15 years at a rate as low as 2 per cent. If this had been adopted, it would have offered a precedent for Government lending rates that would have been seized upon by many other prospective Government beneficiaries. Fortunately, although the Government shipbuilding loan provision still remains in the bill, the minimum rate for such loans has now been raised to 4½ per cent.

Another provision was that shippers of goods on American vessels could deduct from their income taxes 5 per cent of all shipping charges. This would probably have exempted the majority of the most important shippers from all payment of income taxes whatever, but this indirect subsidy to shippers has been altogether eliminated.

Another provision of the bill offered to industrial corporations, like the Standard Oil Co. or the United States Steel Corporation, which operate their own ships, both direct and indirect subsidies for carrying their own merchandise (an out and out subsidy in cash and an income tax rebate as vessel owners). This would have resulted in paying millions of dollars to such corporations as those mentioned, but the bill has now been so modified that such corporations will receive no direct subsidy. They will, however, still receive a disguised subsidy in the form of a rebate upon their income taxes as shipowners during a period of nine years.

The bill is much less objectionable in its details than it was when this discussion opened three days ago, but I believe that it still offers a dangerous precedent, which, if adopted, will bound us for years to come. I am inclined to believe that the time has now come when we ought to consider, first of all, the interest of the heavily burdened and long-suffering taxpayers, and when we ought, on that account, to think very seriously before opening up new channels for Federal aid. If we do not,



then very soon everybody in the country will be getting Federal aid and no one will be as well off as he was before. I can not help thinking that in the present stage of our economic development commercial, financial, and industrial undertakings ought to stand on their own, ought to sail under their own power, and ought not to look to the Government to help pay their running expenses. It seems to me time that we begin to re-inspire ourselves with the spirit of self-reliance which animated our forefathers. When they settled these shores and pushed on through the West and transformed the wilderness and the prairies into a thriving continent they did not look to others to assume the risks and to pay their way. The sooner our people recover some of that ancestral spirit of self-reliance and self-help the better it will be for us all.

It is one thing for the Government to build highways or dig canals or make river and harbor improvements or reclaim arid lands. Those are permanent additions to the capital of the country; but it is another and very different thing for the Government to use the taxpayers' money to pay the running expenses of particular businesses, and that is what this bill proposes to do.

Under the guise of getting rid of ships constructed by the Government during the war, this bill proposes to establish a whole program of Government aid to meet the running expenses of different businesses. It proposes to lend Government money to ship buyers and to shipbuilders for 15-year periods at 4½ per cent, and to give Government money each year for a period of at least 10 years to shipping companies, both in the form of payments in actual cash and in the form of income-tax rebates. It sets aside for this purpose one-tenth of all our customs dues, which would mean about forty-five million this year and not improbably sixty or more million in years to come, and to add to this sum all tonnage dues, which are at once to be doubled. These funds, together with the income-tax rebates and the ship-construction fund might easily aggregate a billion dollars in the next 10 years, which means that the bill proposes to authorize a billion-dollar gift from the taxpayers' money to help meet the running expenses of private individuals and corporations, and no one has ever ventured to claim that this measure will substantially reduce shipping charges and give an equivalent benefit to shippers as a whole. It has been claimed rather that the subsidy was only a kind of adjusted compensation which would equalize the profits of American steamship lines. I believe that those who are the guardians of the people's money when confronted with such proposals to enter upon new lines of expenditures and fresh fields of paternalism might well say with the hero of Verdun, "They shall not pass." If we do not say so now or soon, we are likely to regret it for the rest of time.

As for the 1,500 Government vessels built during and after the war which we still have upon our hands, my suggestion would be this: Let us give instructions to the Shipping Board to sell as many as they can to American citizens during the next two or three years, when in all likelihood ocean traffic will increase, and then scrap the rest. The low price at which these vessels may be sold is of itself a not unsubstantial subsidy for our merchant marine.

Mr. EDMONDS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: Page 58, strike out section 704.

Mr. EDMONDS. Mr. Chairman, the other day when explaining the bill I stated to gentlemen that when we arrived at this particular section I would move to strike it out. The section was originally intended to regulate the competition that was occurring between the Atlantic and Pacific coasts, which was driving the smaller and less financially strong operators out of business. My colleagues, Mr. HARDY and Mr. BANKHEAD, on the committee suggested that we ought to have some hearings, and as this has an effect in a number of other directions that possibly would not be beneficial, I want to strike it out now, so that at a later date we can have full hearings on the subject and find out what would happen if it were put into effect.

Just a word in regard to the remarks of my friend from Massachusetts, Mr. ANDREW. He objects to paternalism, but he is in favor of Government ownership, which is a rather peculiar thing to me.

Mr. BARKLEY. Mr. Chairman, I dislike to inflict myself on the House at this time, because I recognize the impatience of Members to get to a vote. However, I do not desire this bill to reach its conclusion without expressing my opposition to it.

Mr. Chairman, it is astonishing to observe the callous indifference of this administration to the sentiments of the

American people. Just a few weeks ago there was an election in this country. It recorded the greatest political turn-over in the history of the Nation. That repudiation was overwhelming, and was caused by the universal disapproval of the record made since the beginning of the Harding administration.

One of the things which this Congress ought to realize was condemned by the people is this ship subsidy bill. Although it had not been enacted, it was and is one of the chief corner stones of this administration's shifting policies, and the American people passed on it as unerringly as if it had been already enacted into law.

They knew then, as they know now, that it is a fraud; that it is proposed in the interest of private shipowners at the expense of the American taxpayers. They knew then, as they know now, that this spurious makeshift will not preserve nor maintain the American merchant marine for the benefit of all the interests of the Nation, but that it robs the masses of the people to enrich a small group. They knew then, as they know now, that linking this subsidy up with the tariff subsidy, also given to a little group of selfish campaign contributors, instead of stimulating our merchant marine it will stifle it and handicap it beyond even the fears of those who have attempted to warn against it. Ships can not prosper unless they carry cargoes both going and coming across the ocean. There has never been a merchant marine of any nation that could maintain itself by carrying freight only one way and riding the waves empty on the return. Under the blighting influence of the Fordney tariff there will be precious little freight for our ships to bring back from abroad, and this fact will also reduce the amount they can carry from our shores to the world's markets. We can not expect to have the markets of the world open to us if we close ours to other nations. Consequently this policy of narrow provincialism will depress our foreign commerce, as it has already done, and make it difficult for our great merchant marine, built up at a cost of \$3,000,000,000, to maintain itself under conditions that are honorable and appropriate. Now it is proposed to give them out of the Treasury enough money to make up for their losses on account of reduced cargoes. Having given a subsidy in the tariff to a little group of Americans who do not want our ships to carry freight, this Congress now proposes to make the American people pay the shipowners enough out of the Treasury to compensate them for hauling cargoes that do not exist and can not exist under such a foolish policy.

I do not propose to lend myself to such an outrage, and while the measure may go through this House, I hope the Senate will kill it. It is not too late for even a repudiated Congress to do one sensible thing before it expires. [Applause.]

Mr. YATES. Mr. Chairman, commenting upon what the gentleman from McCracken County, Ky. [Mr. BARKLEY], has just said, I desire to recall the attention of the House to an old story. The story is that once upon a time the proprietor or manager of a cotton field conceived a bright and happy idea, which was that a monkey might be taught to pick cotton. He started in on the experiment, and it was almost a success. The monkey was a willing worker, very industrious. He gave his whole mind to the subject. There was only one trouble, and that was that he did not recognize any geographical distinctions or limitations or boundaries, and when he got to the end of the field, instead of going back on the next row, he just hopped over the fence and plucked the neighbor's cotton, which was not in the bargain. So that, although he was very industrious, he was somewhat of a disappointment.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. YATES. Oh, no; I can not yield. The recent election reminds me of that story. Far be it from me to compare the American voter to a monkey. I do not mean that, and you can not say that I did. I seek his vote and will continue to seek it, but when he got through cotton picking in New York and New Jersey and in Indiana and Michigan and Minnesota and Wyoming he just calmly hopped over the fence and landed in a beautiful cotton plantation called Ohio. There he proceeded to pick all of the nice delicate blooms from a lively boomlet for the Presidency, being nurtured and tenderly cared for in the broad fields of one POMERENE. [Laughter.] Then, after three or four more lively skips, he landed in Nebraska, and there he picked all of the delicate blooms from another boomlet, cherished and fondly cultivated by one HIRCHCOCK.

Mr. BARKLEY. What about Beveridge, of Indiana?

Mr. YATES. Oh, wait a minute. I object to being interrupted by McCracken County. [Laughter.] Then, when he got through with Nebraska, he hopped over into Texas and brought back WURZBACH, Republican Member reelected. [Applause on Republican side.]

Now, if you gentlemen on the Democratic side can get any consolation out of this last election, you are welcome to it.



You were licked just exactly where it hurt the most. I have some right to say a few words, because I am here with a majority of 276,000 from the State of Illinois. It does amuse me—

Mr. UPSHAW rose.

Mr. YATES. No; I can not yield to the gentleman from Georgia. It does amuse me, day after day, hour after hour, to hear gentlemen on the Democratic side who have not gained a real thing but who have lost a lot of Presidential boomlets, get up here and talk about the reverses of the Republican Party and attempt to sympathize with us in regard to the matter. [Laughter.]

The fact of the case is that there was no reversal. In 1920 the American people, by a verdict unprecedented, wiped out Woodrow Wilson and all of his works, root and branch. [Applause.] But there was a swing of the pendulum, and it had to come back. As far as I am concerned, I am glad to say, owing to the fact which I have stated before that both of my parents were born in Kentucky and grandparents in Virginia, I am glad to see you come back, gentlemen, and the gentlemen over there who are going out never expected anything else. [Laughter.] There has not been any reversal. There was just one swing of the pendulum; and two years from now, in spite of our great regard for you, we are going to wipe you out again, root and branch. [Applause.]

Mr. STEVENSON. Mr. Chairman, we have now gotten down to the point where the political effect of this thing is being considered. I have not heard anything about that up to this time; but, speaking of the political effect, I want to cite you to an authority on that subject. The gentleman from Wisconsin [Mr. FREAR] preached a sermon over here the other day and called for repentance for all the evil deeds contemplated here, but he did not tell you what would happen. I want to read you what is going to happen to you, because I have always noticed it did not matter how much the preacher preached about repentance, it did not have any effect until he pointed out what you would suffer if you did not repent. [Applause.] There has never been a time when you attempted to pass one of these bills except at a session of Congress after an election. They did it in 1873, after the election of 1872. They tried it in 1891, after the election of 1890, and they undertook to do it in 1901, after the election of 1900, and now you are trying it again after you have been licked. Now let us read what the distinguished gentleman from Illinois—ancient history—JOSEPH G. CANNON, said in the Forty-fifth Congress about what will happen to fellows and had happened to folks who would vote for this sort of thing. Here is what he said:

The subsidizing of these steamship lines, from the Collins Line in 1852 up to the present time, has bankrupted every prominent man that has favored it. The political ghosts of departed politicians that have squandered the money of the people for this kind of unwarrantable expenditure from the Treasury rise up and warn Representatives to avoid the errors heretofore committed by our predecessors.

[Applause.]

Now, that is the opinion of the distinguished sage of Illinois; and if any of you do not believe he is a politician, you go and look at his record of having stayed here longer than anybody else in the world ever has been here, and nobody else will ever hereafter equal his term of service, and you should accept his word spoken when he was in full vigor.

Mr. YATES. That was because he was a Republican.

Mr. STEVENSON. And Republicans are surely good politicians, but they lost their heads this time, and they are driving as straight to the devil as possible and will not heed his words of warning. Now, the gentleman talks about booms that have been canceled. They started a good one out in Indiana, and Mr. Ralston, it seems to me, canceled one of Mr. Beveridge's. We have gone over into West Virginia and canceled a good deal of Republicanism over there. We have even carried the State of New Hampshire and retired one Congressman from that State; and I suggest, if the gentleman is satisfied with that, he will consent to a judgment by default for the same kind of result in 1924.

Mr. CLARKE of New York. Mr. Chairman, another pair of World War waifs have been found on the front doorstep of the Harding administration, and the names given them were ships—wooden and steel (correct spelling, steal).

In trying to trace their ancestry, no proud father arises to exclaim, "I am the man," but we have located their dejected mother, Mrs. Willful Wanton Waste; the grandmother was "too proud to fight" and the grandfather was "neutral in thought and act," all prominent officeholders in the previous Democratic administration.

At the official christening or launching of steel and wooden ships came two prominent figures who loomed larger on the horizon short years ago than now, the one, genial Newton B.,

Secretary of War, the man in charge of our national fighting right arm, a man who boasted he had "never even fought with wooden soldiers"; the other sprang full armed and equipped for the fray from a North Carolina editorship, in command of our national fighting left arm as Secretary of the Navy, the delightfully delicious Sir Josephus.

With an abandon that knew no bounds they first "watchfully waited" unprepared, until we got into the World War, then feverishly expended, gave away, squandered in the shameful reign of the war profiteer, three billions of dollars of the people's money on a shipbuilding program subscribed and paid into the Treasury of the United States through self-denial and sacrifice, but all to patriotically back up our fighting forces.

As a result there were started or built 589 wooden ships that cost over \$300,000,000, and about 1,700 steel ships that cost about \$3,300,000,000.

We have, fortunately, gotten rid of those monuments of folly, the wooden ships, at approximately one one-hundredth of their cost, but there still remain about 1,500 steel ships of various kinds in good, bad, and indifferent shape, but all more rapidly deteriorating from lack of use than they would if in use.

Our exports (exclusive of trade with near-by West Indian and Central American countries) are now over three times our imports. Of these exports foreign ships are carrying about 76 per cent and our American ships carry but 24 per cent—19 per cent in Shipping Board vessels, and 5 per cent in privately owned vessels. This is the measure of our success with our own ships, unequally competing against foreign ships, seeking to establish markets for our products. To carry this 19 per cent in our Shipping Board vessels costs approximately \$50,000,000 in direct operating loss, to say nothing of deterioration, depreciation, insurance, and so forth, to say nothing of the fact that we have no forward-looking plan that means a real, progressive program for the upbuilding of a merchant marine for the United States.

The question squarely presented to this Congress is, what are we going to do toward taking these steel vessels we already have as a basis or the beginnings of a real merchant marine, and how are we to meet the handicaps of existing laws unless we pass the bill now under consideration, so that our own enterprising citizens can compete on an even basis with foreigners in carrying our products?

As President Harding wisely pointed out in his strong, logical, economically sound argument to the Congress, three courses lie open to us: (1) Destruction; (2) obstruction; (3) construction. The first plan, destruction, is unthinkable to me, for I do not believe in my heart that the American people would tolerate such a policy; on the other hand, I do believe our people want a merchant marine.

The second policy, obstruction, is the one that is evidently the Democratic policy. I freely admit that I was inclined at first to vote against this bill, for I am prejudiced against the idea of a subsidy, and I have been patiently waiting for the foster parents of this willful, profligate pair—wooden and steel ships—to evolve some constructive plan for the utilization of what is still left of this great fleet. So far the only constructive plan suggested from the most exhaustive study and research of the painstaking, hard-working Judge DAVIS is to wobble along with the present policy that is admittedly costing over \$50,000,000 a year, and that is all that is offered against President Harding's clearly stated, forward-looking, constructive plan for now using these ships at an estimated annual cost of \$30,000,000, a saving of at least \$20,000,000, with the possibility of getting the Government out of the business, instead of the Democratic way of either keeping the Government in the business or watchfully and prayerfully waiting for God Almighty and more propitious times, as if our previous experience in the Government operation of the railroads had not taught us a lesson.

Brother NELSON of Wisconsin (JOHN M.) says the farmers are unanimously against the bill, in the face of the indorsement of the Farm Bureau, while Brother ATKINSON, of the Grange, is against the upbuilding of a merchant marine in accordance with the President's plan and specifications, as embodied in this bill, and only arrived at after the most exhaustive investigation and study. Now, I disagree with both Brothers NELSON and ATKINSON as to the attitude of the farmers; the trouble is the facts have not been squarely presented to them, and for that reason no verdict of real value obtained. I can as proudly claim to represent the farmer as they can, and the only letters I have received from my constituents are for the bill and urge me to follow the leadership of the President. I am proud to represent a constituency upon whose lovely hills and in whose enchanting vales roam more good dairy cows per acre than upon any equal acreage in the world. At times we need to ship our surplus dairy products in manufactured form into the outside markets of the world, and what



is our dairy farmers' condition in a small way reflects a national condition and need.

The whole question with me is simply this: I believe the decisive factor in determining whether this country is prosperous or not is in finding markets abroad for the 8 to 12 per cent excess products we produce, and I am positive that we are more certain of finding markets for those excess products when we have our own ships carrying our own products, sailing to the Central and South American countries and to the Orient, on routes determined by Americans, than we are when we have to depend on foreign ships or the advice of foreign experts. I propose, therefore, as between Judge Davis's policy of painful, costly "watchful waiting," that he was so used to under the former President, or Government operation, and President Harding's policy, which he outlined to the Congress in his masterly message, with its definite, concrete proposals, to follow the President rather than to wait for some favoring breeze from somewhere, to somehow bring us into an era of prosperity or meet a national need. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania striking out the section.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### HOME PORT OF VESSEL OF UNITED STATES.

SEC. 705. (a) The Secretary of Commerce is authorized to designate such ports of entry as he deems advisable as ports of documentation for vessels.

(b) For the purposes of section 30 of the merchant marine act, 1920, and of the navigation laws, the home port of a vessel shall be that port of documentation at or nearest to and in the same customs district as the place at which there is conducted the greater part of the vessel business of the owner of the vessel; except that the Secretary of Commerce shall by regulation prescribe the home port in cases where he finds that the above rule is not applicable, including among other cases the case of vessels owned by the United States or any governmental agency thereof, the case of vessels not engaged in trade, and the case where there is no port of documentation in the same customs district as the place at which the greater part of the vessel business of the owner is conducted. The decision of the Secretary of Commerce as to the home port of a vessel shall be final. Nothing in this section shall be held to repeal section 4178 of the Revised Statutes, as supplemented.

Mr. JONES of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. JONES of Texas. Mr. Chairman, on yesterday the distinguished chairman who is in charge of this bill made the statement that there was nothing in the existing law which forbade railroads to own stock in steamships or any steamship companies engaged in foreign trade. Simply in the interest of accuracy I want to read a part of section 9 of paragraph 5 of the interstate commerce act, which is as follows:

From and after the 1st day of July, 1914, it shall be unlawful for any railroad company or any common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever, by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner, in any common carrier by water operated through the Panama Canal or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense.

Under section 604 of the pending bill that provision is repealed in so far as railroads are concerned, if they desire to own an interest in ships engaged in foreign trade or even in trade where they touch the Philippine Islands ports. Here is the point that I wanted to call attention to: The transcontinental railroads will be able to own ships plying through the Panama Canal from one coast of this country to the other coast by touching some foreign port. By doing that they can put out of commission the steamship companies that are simply plying between ports of the Pacific coast, say, San Francisco, and ports of the Atlantic or Gulf coast, because the railroad companies can afford to buy an interest in a steamship line and ply through the Panama Canal from coast to coast and then, touching some foreign port, get a subsidy on the foreign portion

of the cargo but, what is far more important, get an interest in the canal shipping lines.

In that way the railroads of the United States can control the traffic through the Panama Canal, and that is the thing that this section of the interstate commerce law was enacted, I understand, to forbid. But here in the section that we passed yesterday, section 607, paragraph 9 of section 5 of the interstate commerce act is amended by putting on a proviso that this part of the interstate commerce act shall not apply to railways owning an interest in ships operating under this bill.

Now, I submit to the Members of this Congress that when the gentleman from Pennsylvania [Mr. EDMONDS] made the statement that there is nothing in the law—in his effort to keep us from striking out that section 604—nothing in the law which forbids a railroad under the present law from owning stock in a steamship company, he was in error.

I take it that no one wants to authorize the transcontinental railroads of the United States to get control of shipping that passes through the Panama Canal. That is what the railroads wanted to do all along, and it seems to me that it is a great mistake to pass a measure which would permit that. [Applause.]

Why was the Panama Canal constructed? Primarily, of course, in the hope that we would get cheaper freight rates between the coasts. In order to prevent the railways from getting control of the traffic through the canal and thus defeating the very purpose of its construction, section 5 was put in when the interstate commerce law was enacted forbidding railways from owning any interest in ships plying through the canal or elsewhere. Now it is proposed to repeal section 5, or at least to modify it in such a way as to destroy its effectiveness.

Of course, if the railways can get control of some such shipping companies, they will not care whether they make any money out of them; they can put their competitors out of business, destroy the traffic through the canal, and then force the freight back to the railroads, with the consequent increase in rates. Where does the public come in on such a proposition?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. EDMONDS. Mr. Chairman, I would like to speak on the amendment to the section.

The CHAIRMAN. The gentleman from Pennsylvania is recognized on the pro forma amendment.

Mr. EDMONDS. Mr. Chairman, I do not suppose this will need very much explanation to the Members of the House. A few years ago in the merchant marine act of 1920 we passed a mortgage bill. When the Department of Commerce came to investigate the situation in regard to these mortgages it was found that under any law that we had or any law or definition of a home port that we had they would have to be registered at the home of the man who owned the ship. Therefore, having no specific place where any other person could find out where these documents were registered, the Department of Commerce sent to us and asked us if we could not define a home port in this bill, and we have done it by stating it to be the nearest customs office to the place where the man conducts the greater part of his vessel business.

You gentlemen will realize, particularly those of you who are attorneys, the value of this section. It will enable any of you who wish to look up the documents of a ship and find out what is recorded against the ship to ascertain the place to go. I do not believe you want any further discussion on this subject, because you must all understand it.

Mr. LOWREY. Mr. Chairman, my genial friend from Illinois, Governor YATES, has, I believe, escaped from the House. [Laughter.] I certainly do not want to shoot him in the back. Before going, however, he told us a good monkey story in a very happy way. By his discussion I am reminded of a discussion which took place between a gentleman from New York and a gentleman from Mississippi in regard to a recent Democratic victory in New York. The New Yorker was saying, "The State of New York is easily Republican, and when it does happen to go Democratic it is simply because the Republicans do not hang together." "Yes," replied my friend, "that is a weakness with the Republicans down South. Most of them, if they get anything like what is coming to them, do hang sooner or later, but they do not hang together." [Laughter.]

From my own observation I can testify that my southern friend is right. They generally hang at different county seats and on different Fridays.

But, if I yet have the time, I want to tell another monkey story to match that of the gentleman from Illinois. In a southern town two negroes were watching a monkey dressed



in a brilliant red coat and dancing to the music of a hand organ. One negro said, "He's des ole time folks; dat's all he is. He ain't nuffin' but des ole time folks."

"Ef he ole time folks," replied the other negro, "den why don' he talk?"

"Case he got too much sense to talk," replied the first. "He kno' ef he talk de white folks will fin' out he des a common nigger and take dat fine coat off him and put him to work in de cotton patch." [Laughter.]

My friend from Illinois undertook to apply his story to illustrate the situation in the recent elections. I rather think my story illustrates it better. Some of our friends on the other side have talked entirely too much, and consequently some of them after the ides of March will find themselves stripped of their official robes and perhaps working in harder fields.

Again, I am afraid that during the discussion of this bill some who have rejoiced in reelection have been doing some talking that will cause them to "hang together" or "separately" at the November elections two years from now. I am glad to see, however, that quite a number of those who sit on the left side of the center aisle with the goats have been wise enough and brave enough to see straight and talk straight on this ship subsidy question. And for this reason some of the most objectionable features of the original bill have been corrected by amendment, and when the bill passes this House it will be by a majority many times smaller than the Republican majority in the House.

Finally, I want to say that no man on the majority side is more anxious than I to see a creditable and efficient American merchant marine, but I very profoundly believe that this bill, if passed, would cost the taxpayers many millions of dollars, encourage and strengthen dangerous monopolies, and finally mean little or nothing toward the establishment of American trade routes and the maintenance of the American flag on the high seas.

Some gentlemen have insisted that the policy of those on this side of the aisle is entirely destructive; that we oppose this bill without offering anything in its place. In refutation of this charge, I need only to call attention to speeches such as those of the gentleman from Tennessee [Mr. DAVIS], the gentleman from Texas [Mr. HARDY], and the gentleman from Alabama [Mr. BANKHEAD]. Of course, we on the minority side have had no chance whatever during this session to frame and present a merchant marine bill. Our leaders, however, have pointed the way, and when this bill fails of passage, as I believe it will when it reaches the Senate, then I hope the majority will be willing to walk in the better way that has been pointed out to them, or that the Sixty-eighth Congress will at least see the way more clearly.

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section close in one minute.

Mr. LANHAM. May I have about three minutes?

Mr. EDMONDS. I modify my motion and move that all debate close in four minutes.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section close in four minutes.

The motion was agreed to.

Mr. SNELL. Mr. Chairman, I have listened carefully to the debate on this measure and have given special attention to the opposition, as I was desirous of getting reasons, if there were any of importance, why this House should not support this bill. We all agree that as a result of the war we have three billions of public money invested in an unprofitable and unsatisfactory enterprise. Both political parties proclaim their support for an American merchant marine, privately owned and privately operated. Every speaker on the bill and every Member of the House is not only disgusted with the past or present management and accomplishments of the Shipping Board but absolutely doubtful about its future. Every man here knows it is costing the taxpayers of this country fifty millions per year loss in operating expenses, to say nothing about depreciation, interest on capital invested, and so forth, which will easily amount to another fifty millions, or, if the whole truth is actually known, it is costing this country on the annual basis of one hundred millions per year to keep less than 30 per cent of its fleet in actual operation, and with nothing but absolute ruin staring us in the face. The longer we go on under present conditions the worse we are off, and in a few years we will have wasted our capital, spent fifty millions of good new money each year, forced privately owned American ships from the sea, and have completely wiped out a possibility of an American merchant marine for the next half century. Every member of the Shipping Board—four Republicans and three Democrats—absolutely agree on this.

We all agree that is the condition that confronts us. Now, are we going to stand idly by, bickering over party politics, personal prejudices and jealousies, and let this three billions be eaten up, or are we going to act like business men and at least try and save what we can out of the wreck? The question before you to-day is not how to develop and place a merchant marine on the ocean; it is how to utilize to the best advantage the one that is now on the ocean and ready to work. If we did not have these ships, I would not consider this bill for a minute; but the proposition now is what is the best way to get out of a bad mess. Let me say in passing, the party here that is solidly opposing this rescue measure had more to do in getting us into this trouble than we did, and they are solidly refusing to lift one pound to help get us out. This Shipping Board is not a Republican child. It was created under your administration. You spent the money. We are only trying to save as much as we can. If you do not like this measure, why do you not assume your share of the responsibility and try and make it better in committee, and all of us act on behalf of the people and try and save the taxpayers' money?

This bill does not entirely please any of us, but it is the result of the best thought and best knowledge we have and the only constructive measure along this line yet presented. The only constructive suggestion that has been offered by the opposition is to abolish the whole Shipping Board and put one man in charge, and if we can not do anything better I do not know but what I would do that. The whole debate on the opposition has developed into a tariff debate, and it is largely the main principle involved in this measure. This bill aims to protect an infant industry. It aims to protect American shipyards, employing high-paid American labor, as against cheaply paid Europeans. It aims to protect well-paid, well-fed, well-housed American seamen as opposed to the coolie labor of our competitors. I am in favor of the American protective policy as applied to our ships at sea just the same as I am in favor of protecting American agriculture and industry on land. It is exactly the same proposition, and I can not understand how any man who claims to be a protectionist and believes in it can be unwilling to give this industry the same protection he asks for his home products.

I represent a purely rural district. My home county is reputed to have more dairy cows than any county in the United States. The farmers of my district want a market for their butter and cheese, and any legislation that helps to build up an American industry that employs well-paid labor in this country helps to make a bigger and better market for the products raised on the farms of my State, and I can not see how any class of people are going to be more directly benefited by this legislation than the American farmer, for when we encourage shipbuilding in this country we are increasing the high-grade consuming class to buy his product at home, thus increasing demand, and with increased demand comes increased prices. With increased prices on agricultural products comes increased prosperity for rural communities.

When we encourage sailing ships in ocean trade, we increase competition there, and that tends toward lower freight rates on his product shipped abroad. I maintain the western farmer is just as much interested in freight rates on his wheat from New York to Liverpool as from St. Louis to New York. If he is as vitally interested as some of us think he is in water transportation from Duluth to Montreal, let me tell you he is interested in water transportation from Montreal to Liverpool. And that is what we are taking care of for him in this bill. The whole trouble is that this proposition has not been put up to him in the proper way. He has not been told the whole truth. If the press and public men had spent one-half as much time telling the honest truth about the merchant marine, its possibilities and benefits, as they have in maligning it and demagoguing about it the situation and feeling in certain parts of this country would be entirely different.

Do you suppose if the honest hard-working farmers of this country knew that to-day they were being taxed this year \$50,000,000 to subsidize a Government-owned merchant marine they would object to legislation that has for its purpose a much more effective privately operated merchant marine at an actual saving to them in taxation of at least \$20,000,000 per year? You need not tell me he would not understand it or object to the legislation. You put all the facts before the people and I am not afraid of their judgment.

Mr. Chairman, (1) I am for this bill because it favors building American ships in American shipyards, employing American labor who eat American farm products, some of which will be produced in my State.

(2) I am in favor of this bill because of the absolute assurance of reasonable freight rates it gives the American pro-



ducer in peace times and the necessary added auxiliary defense it gives our Navy in time of war. As a defense proposition alone it is worth its cost.

(3) I am for this bill because it is the only constructive measure along this line presented by anyone.

(4) I am for it because I believe that American-owned lines of communication between foreign countries and our home markets are just as necessary for our future growth and development as efficient lines of transportation at home.

(5) I am for it because every true American believes in an American merchant marine, and you will never have one unless you utilize the ships you have now.

(6) I am for it because this favors private ownership and operation as opposed to the present inefficient and wasteful Government ownership and operation.

(7) Lastly, I am for it because it will be an absolute saving of from twenty-five to fifty millions a year to the present overburdened taxpayers of our country. I am for this legislation because it is in the interest of America as against England and Japan, and every interest these countries have in America is working against any legislation that tends to perpetuate American shipping on the high seas.

Mr. LANHAM. Mr. Chairman and gentlemen of the committee, I have been seeking to analyze the statement of my good friend from Illinois [Mr. YATES] and have come to the conclusion that it is tantamount to this, that under the anesthetic of his own personal majority he did not feel the pain of the recent operation which the Republican Party underwent. [Laughter.] The situation reminds me of the story of the young man from the East who went out West. His parents did not hear from him for a long time. One day they received a telegram to this effect:

Your son John was killed here to-day in a railway wreck. His head was mashed to a pulp, his chest crushed, both arms broken and both legs broken.

Then after about an hour there came to the grieving parents another telegram which said:

Mistaken as to details. Left arm not broken.

[Laughter.]

I think that summarizes the results of the recent election, and my good friend from Illinois [Mr. YATES] is taking comfort from the fact that the left arm was not broken. [Laughter.]

The CHAIRMAN. The gentleman's time has expired. All time has expired. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

SEC. 706. Subsection B of section 30 of the merchant marine act, 1920, is amended to read as follows:

"Subsection B. When used in this section—

"(1) The term 'document' means certificate of registry or enrollment and license, whether permanent or temporary, but does not include a provisional certificate of registry;

"(2) The term 'port of documentation' when applied to any vessel means the home port of that vessel as shown in its documents;

"(3) The term 'vessel of the United States' means a vessel having a document issued under the laws of the United States, and for the purposes of this section such vessel shall be held to continue to be a vessel of the United States until the document is surrendered with the approval of the board; and

"(4) The term 'mortgagee,' in case of a mortgage involving a trust deed and a bond issue thereunder, means the trustee designated under the deed."

Mr. LANGLEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Kentucky [Mr. LANGLEY] is recognized for five minutes.

Mr. LANGLEY. Mr. Chairman, I have not sought to take any of the time of the committee in the discussion of this bill, but have contented myself with voting on motions and amendments that have come up for consideration. I am going to say only a few words now because the time for debate is nearly exhausted, and every Member has made up his mind how he is going to vote, and the only purpose I could accomplish would be to have the RECORD show my reasons for the vote which I intend to cast when the time arrives for the voting on the final passage of the bill. I believe in economy of time, and therefore prefer to set forth those reasons in the RECORD rather than undertake to do so verbally at this juncture, and I shall do the former if the request for the privilege of extension in the RECORD, which I shall presently make, is granted, except as to one or two observations I desire to make now. In the first place, I am going to vote for this bill because I believe, aside from the importance of my country having commercial prestige upon the high seas, that it proposes the best, the most business-like, and economical method of handling the legacy which we inherited from the late criminally extravagant Democratic administration. [Applause on the Republican side.] In the

second place, I propose to stand by our great leader and patriotic President upon this question, and I pause here to assert that I have listened attentively to this entire debate and I have not heard a single logical answer made by either Democrat or Republican to any one of the arguments contained in his superb message in support of this bill. [Applause on the Republican side.]

It is not my purpose to assume the rôle of lecturer to any colleague on my own side of the House, but I wish to state that I think it is high time that we had some solidarity of action and some teamwork in our own party [applause] if we are going to maintain the prestige of the Republican Party in the Nation. We can not do that unless we stand by our President and our own party leaders, once in awhile at least. [Laughter and applause.] If we can not legislate with the majority we have, and are going to permit the Democrats to bullyrag us and run this Government with the Republicans in power, we might as well disband and go home. [Laughter and applause.] We need more of the spirit of cooperation, my fellow Republicans, more unity of action, if we expect to stem the tide two years hence. [Applause on the Republican side.] Our Democratic friends seem to take great pleasure in referring to what they think and what they claim was a spanking which the people of the country gave the Republican Party at the late election, and in contending that this was chiefly due to the opposition of the people to this bill. To me these are amusing contentions. In the first place, the President openly and repeatedly advocated the enactment of this legislation two years ago when he was a candidate for the presidency, and the people knew this when they gave him 7,000,000 popular majority. My version of it is that the people were so anxious to rebuke the Democratic Party two years ago when they gave this 7,000,000 popular majority for the Republican ticket that they lost sight largely of the congressional races and of necessity gave us a very large and abnormal Republican majority in both Houses of Congress. In view of all of the misrepresentation that was indulged in in the late campaign and of existing conditions in general, following as it did the abnormalities succeeding the war, we ought to be satisfied and proud of the fact that we have a majority of 10 in the Senate and 20 in the House. [Applause.] It shows one thing at least, and that is that this country is normally Republican and that it is back of the man now at the helm of the ship of state who has been confronted with the greatest problems that ever confronted a President of this Republic, Abraham Lincoln not excepted. [Applause.] That is all I have to say now. I shall say more in the RECORD a little later on. [Applause.]

Mr. HUDDLESTON. Mr. Chairman, there is room for difference of opinion as to the merits of this measure. There can be no difference of opinion among honest men as to the way in which this bill is being passed.

There is always room for honest differences of opinion upon economic measures, and for those who believe in the principle of a public subsidy for the shipping interests I have no sharp criticism. But there is never room for difference of opinion upon matters of straight dealing and political and public honor, so that I am compelled to feel contempt for the shiftiness, evasiveness, and chicanery which inspire the effort to pass this bill under whip and spur at this particular time and by special session of Congress called for that purpose.

The administration has known for 18 months that it intended to put this legislation through Congress. The Republican leaders have been in full harmony with the administration's purpose and have acquiesced in the way the matter has been handled. From the time the present administration was inaugurated on March 4, 1921, until the present, Congress has been in session practically continuously. Why has not this bill, which has for its purpose the grant of public funds from the Treasury in aid of shipowners, been brought up before now? The answer is obvious. We were to have an election on November 7. Those in control did not dare to bring the bill up. It has been on the calendar for months, but they did not dare to ask for its passage because they feared that Congressmen of their own party who were seeking reelection could not be induced to violate the wishes of their constituents and support it—they feared that such of their members as did support it would pay dearly for their action in the elections.

And why is a special session called? Why not wait until the next Congress assembles, with its new mandate from the people? Again the answer is clear that new Members of the next Congress, fresh from the people and willing to perform the will of their constituents, could not be induced to vote for the bill. The measure is being presented now and under the existing circumstances because it is realized that there is no hope to get it passed by the next Congress. Its sole hope of



passage lies in the votes of Republican Congressmen who have been defeated for reelection and to whom the people have already done all that it is possible to do to show their displeasure.

This Chamber bears the aspect of a legislative hall but in reality at this time it is a morgue, a charnel house. It seems to be a place for the living; in reality it is the abode of the dead. Upon the Republican side of the House there are 110 Members who have not been reelected to the next Congress. It is by the support of these "dead men" that this bill will be passed.

You may go up and down the aisles on the Republican side and look into the face of many a dear departed one and say, "Does not he look natural?" Color is in his cheeks and he has the semblance of life but in reality he is dead. By reason of a provision of our Constitution, applicable to the old stage-coach days when it took months for Members to reach Washington after being elected, a new Congress begins on March 4 after the November election. For the intervening months Members who have been politically executed by their constituents continue in their seats and may legislate in utter disregard of the public welfare and the people's wishes. Due to this out-of-date constitutional provision, these 110 Republicans continue in office and are able to reach dead hands out of political graves to push this measure to passage.

Was there ever a greater farce? A bill brought forward with the deliberate purpose of it being passed by those who really represent no one but themselves, who are merely the gray ghosts of dead politicians. Oh, you ghostly Congressmen, I beg you to sustain in your political graves the same principles of public honor and good faith that you cherished while alive! [Applause.]

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. SANDERS of Indiana. Mr. Chairman, the gentleman from Alabama has made a speech against the merchant marine bill which is under consideration. In that 5 minutes the gentleman from Alabama has advanced all the arguments against the measure which are at his command. The sum and substance of the argument of the distinguished gentleman is that we ought not to follow out the provisions of the Constitution which decide the terms of the members of the American Congress, but that we ought to follow the leadership of the new advocates who pay no attention to the Constitution and want to set up their own judgment and say that when the elections are over every member who is not to serve in the next Congress is not permitted to vote on any measure before the House. The gentleman seems to think the country in the recent elections repudiated the Republican Party in the House. Is there a Democratic victory in the House? No. The country sent back a Republican House. The country retained a Republican Senate. This country believes in an American merchant marine and this bill will be written into law.

My notion is that the people of this country want this great American Republic to have an American merchant marine, and that the people of this country want us to dispose of this great perplexing problem of \$5,000,000,000 worth of ships left to us by a former administration for disposition which are costing us a loss of 50 millions per year. We can not shirk the duty which confronts us, I care not what the gentleman from Alabama may say. We must meet this problem not as politicians seeking votes but as American statesmen undertaking to deal with a great economic and national problem. [Applause.]

I do not believe personally in national disarmament, and a merchant marine is necessary unless the Republic shall entirely disarm. I believe in international agreements for the limitation of armament and we have a certain agreement pending. But my friends, unless we have an American merchant marine such as is proposed by this measure—and no substitute is offered—unless we have an American merchant marine, if the terms of the Armament Conference are carried out, we shall leave America defenseless among the nations of the world. [Applause.]

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. Mr. Chairman and gentlemen, it has frequently been said during this debate that there has been offered for consideration of the committee no substitute proposition to take the place of the bill with which you are presented. Anyone familiar with the legislative situation knows that that would be absolutely futile. If we attempted to present a concrete proposition it would meet the same fate as the amendments

which we have proposed. Before the debate closes I desire to suggest some alternate propositions to meet the emergency situation in which we are placed.

First. Abolish the monopoly of the American shipbuilders by permitting the American shipowners to buy ships wherever they can be bought cheapest and to sail her where she can make the most money, and put all ship material on the free list.

Second. Enforce in letter and spirit all the provisions of the seaman's act, thereby insuring safety at sea and the most skillful efficiency in operation and equalization of wages on American and foreign ships on all lines to and from American ports.

Mr. LANGLEY. Mr. Chairman, will the gentleman yield?

Mr. BANKHEAD. No; I have not the time.

Third. Eliminate for all time all suggestions of cash subsidy.

Fourth. Enforce with full vigor the provisions of sections 5, 6, and 7 of the Jones Act. These sections provide, respectively, for the sale and temporary operation of Shipping Board vessels.

Fifth. Sell to Americans or foreigners, give away, or scrap the undesirable portion of our fleet. Mr. Lasker says that only about half of it is desirable for operation in competition. This will reduce the overhead of upkeep and administration very greatly.

Sixth. Repeal section 34 of the Jones Act.

Seventh. Abolish the managing agency form of contract and have Government ships operated by competent shipping men for a stipulated salary on a business basis.

The following Government compensation to private operators is not unconscionable—does not involve any vicious direct subsidy out of the Treasury, and, if thought desirable, involves the exercise of a reasonable discretion:

1. To provide that Army, Navy, and Marine Corps transportation may be done by privately owned vessels, at the discretion of the President, where such ships are available and will contract to perform the service on reasonable terms.

2. To require all officials of the Government, where the expense is out of the Treasury, to travel on privately operated ships where such ships are available and will contract to perform the service on reasonable terms.

3. Require 50 per cent of all immigrants to come in American vessels, after agreements to make existing treaties harmonize with immigration laws of the United States are concluded.

4. Adequate, direct compensation to ship operators for carrying United States mails.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BANKHEAD. I do not think it would be possible for me to get an extension of time under the agreement.

Mr. MONDELL. How much more time does the gentleman want?

Mr. BANKHEAD. I would like to have five minutes more.

Mr. MONDELL. Could not the gentleman make the statement in three?

Mr. BANKHEAD. I would be very glad to have the opportunity to make the statement if I could.

Mr. LANGLEY. Mr. Chairman, reserving the right to object, if the gentleman will yield to me for a question I will not object.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that the gentleman may continue for five minutes more.

The CHAIRMAN. Is there objection?

Mr. LANGLEY. Mr. Chairman, I reserve the right to object.

Mr. BANKHEAD. Mr. Chairman, I ask for the regular order. If there is objection I want it made.

Mr. LANGLEY. Will the gentleman yield?

Mr. BANKHEAD. I do not make the agreement under any conditions.

Mr. LANGLEY. Then I object.

Mr. BANKHEAD. Very well. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BEGG. Mr. Chairman and gentlemen of the committee, the first part of the debate upon this question was devoted by the opposition to the question of taxation. That was horribly exploded just the other day, but in order to emphasize it I want to call attention to-day to the fact that nearly all of the time of the opposition to this bill has been consumed by gentlemen from Alabama, gentlemen from Tennessee, and gentlemen from Texas. After the bill is practically through they confine themselves to sounding condolences to the Republican Party upon what is going to happen to it. I want to say to you men seriously that if you will quit worrying over what is going to happen to the Republican Party and give a little bit of your consideration to what is going to happen to the United

States of America after we have written the subsidy bill into law and provided an American merchant marine, the people from your States will be a great deal more interested than in the demagogic utterances of gentlemen on the floor of the House of Representatives.

I get tired listening to men making speeches after every great measure telling what is going to happen to the American people. We went through a period of that after the tariff bill, and I am going to tell you what happened in Ohio after the tariff bill was passed. The 5,000,000 men that you threw out of work by the Underwood bill were set to work and put on the pay rolls so they could make a decent living for their families. The same thing will happen under this bill.

Just to show the membership of this House the kind of statesmanship that is fighting this bill, I am going to begin with Alabama, because my distinguished friend here, Mr. HUDDLESTON, from that State seemed to be troubled and worried because some men on the Republican side are going to cast their ballot after the election is over. Do you know that if this bill passes and becomes a law your people in Alabama will be taxed the magnificent sum of 5 cents per head per annum, and in 10 years that every single possible cent that you can pay, so far as the money goes, will be 50 cents per head, and at the same time you drew out of the Treasury a direct subsidy for education alone last year of \$1 per head. It seems to me it is about time for a man who pays a 5-cent tax and gets a 10-cent tax given him, to begin to get into line and do a little less demagoging and give a little more serious thought and study to the question of finance. [Applause on the Republican side.]

Let us now take the State of Tennessee. My genial friend, the minority leader, the other day was very much exercised over the fact that it was going to cost the State of Tennessee 9 cents per capita; and what for? To fly the American flag on the high seas over every dollar's worth of commerce that sails from this land. Go home, you men, and tell your constituents the truth. Do not demagogue about \$30,000,000, because it is not going to cost \$30,000,000; but tell them the truth—that the maximum tax that they can pay in 10 years is 90 cents per head, and ask them if they would rather have their American soldiers shipped under the British flag or have the Stars and Stripes flying over them?

I want to ask you men from Texas whether you would rather ship your beef and cotton in American ships, under the American flag, or pay a tribute to Great Britain or Japan? [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 707. Section 4141 of the Revised Statutes is amended to read as follows:

"SEC. 4141. Every vessel, except as otherwise provided by law, shall be registered by the collector of customs at the home port of the vessel."

Mr. STEVENSON. Mr. Chairman, I move to strike out the section. I have been very much entertained by the gentleman from Ohio [Mr. BRIGGS], who never demagogues. The gentleman continually refers to the fact that some States pay a great deal more income and other Federal taxes than other States. The fact that it is collected in New York does not mean that it is produced there. The gentleman ought to know, if he is not a mere politician or demagogue, instead of a business man, that it is what a State produces, it is the basic production of this country, that establishes the position of a State industrially and otherwise, and that because of the handling and manipulation of things at certain great centers, great profits are drawn to those centers, and the Government is enabled to collect its tax at those centers, and thus make it appear, for instance, that everything is produced in New York. The basic products which produce the wealth of the country are farms, forests, mines, mineral production, lumber, and so forth. New York, about which the gentleman speaks, produces 3.05 per cent of these basic products. South Carolina produces 2.04 per cent, and Ohio 3.83 per cent. In other words, they all run along in a class. South Carolina produces a million and a half bales of cotton and the whole South produces 10,000,000 bales of cotton; yet in New York alone they sold 101,000,000 bales of cotton on the cotton exchange and robbed the people who actually made the stuff by this manipulation and depreciation and speculation, and thereby had great income taxes. I set out here the statement of this matter, showing the per cent of basic products each State makes and the per cent of public road fund each State received from the \$275,000,000 appropriated up to 1920. This table is by an expert of the Commerce Department, found on page 2949, CONGRESSIONAL RECORD, Sixty-sixth Congress.

The total value of the basic annual products of the United States from farms, forests, and mines, namely, mineral products, lumber, wool, poultry and eggs, dairy products, domestic animals, and agricultural crops, was \$30,251,702,506. The following summary indicates the proportion of that total produced by each State, and the proportion of Federal aid received by each State in the allocation of the \$275,000,000 heretofore appropriated under the present highway plan:

State.	Per cent of production.	Per cent of Federal aid.
Alabama.....	2.26	2.17
Arizona.....	2.17	1.41
Arkansas.....	2.01	1.73
California.....	2.70	3.14
Colorado.....	1.30	1.79
Connecticut.....	.35	.63
Delaware.....	.14	.17
Florida.....	.64	1.18
Georgia.....	2.64	2.78
Idaho.....	.84	1.26
Illinois.....	5.08	4.51
Indiana.....	3.07	2.78
Iowa.....	4.85	2.98
Kansas.....	3.73	2.96
Kentucky.....	2.52	2.01
Louisiana.....	1.97	1.40
Maine.....	.61	.99
Maryland.....	.69	.90
Massachusetts.....	.46	1.52
Michigan.....	3.24	2.98
Minnesota.....	3.39	2.93
Mississippi.....	2.21	1.85
Missouri.....	3.27	3.50
Montana.....	1.38	2.06
Nebraska.....	2.78	2.20
Nevada.....	.43	1.33
New Hampshire.....	.29	.43
New Jersey.....	.49	1.23
New Mexico.....	.70	1.65
New York.....	3.05	5.13
North Carolina.....	2.90	2.35
North Dakota.....	1.33	1.58
Ohio.....	3.83	3.82
Oklahoma.....	3.98	2.38
Oregon.....	1.42	1.63
Pennsylvania.....	5.50	4.73
Rhode Island.....	.07	.24
South Carolina.....	2.04	1.48
South Dakota.....	1.73	1.67
Tennessee.....	1.96	2.33
Texas.....	5.43	6.03
Utah.....	.96	1.17
Vermont.....	.45	.47
Virginia.....	1.86	2.05
Washington.....	1.72	1.49
West Virginia.....	1.99	1.10
Wisconsin.....	2.95	2.62
Wyoming.....	.62	1.26
	100.00	100.00

Mr. ROSSDALE. Will the gentleman yield?

Mr. STEVENSON. The same way with Chicago. The people out West make an enormous amount of wheat, but what becomes of the profits of it? It is all absorbed in Chicago. The same way about the packers. The cattle business of the West is large, but the packers absorb and monopolize and get all the profits. You talk about basic products and talk about demagoguery and talk about the fact that we pay a small amount in South Carolina and they pay a large amount out in Ohio, when we make nearly as much basic products as they do, and say for that reason we ought to vote for what is wrong. I say the people of Ohio, the people of Illinois, and the people of New York need protection against the fellows they send here who brazenly vote large taxes and large expenditures of money and confessedly say they do it because they have the right to do it. The gentleman from Ohio has spoken to this House from time to time in a sneering way in referring to Texas, and says that the Texas people pay very little. Let us see about Texas. It produces of the basic products of this country 5.43, while Ohio produces 3.81. Pennsylvania alone exceeds Texas, producing 5.50 per cent of basic products.

Mr. BLANTON. Nearly twice as much as Ohio produces?

Mr. STEVENSON. Yes. Illinois produces 5.08 and she has got some right to come here and talk; and if the gentleman sneers at Texas and sneers at the small tax they pay, why, if you will keep a lot of the centers from robbing the Texas farmers of what they make and depressing their prices and confiscating their property—if you will stop that, Texas will pay more than Ohio and as much as New York pays next year. [Applause.]

Mr. HOGAN. Mr. Chairman, when we vote upon this measure to-day we are called upon to do more than decide whether we shall enact a subsidy bill into law—we are asked to determine whether the American people shall develop this into the greatest of maritime nations with resultant prosperity and



civilization or give way to the power and convenience of the British Empire.

The issue is simple: Since the time of Alexander Hamilton we have contended in this country that Congress should provide a protective tariff high enough to cover the difference between the cost of production here and abroad, to encourage our manufactures, to stimulate agriculture, and to give employment to our wage earners. So unanswerable has been this contention that the Democratic Party which has opposed it in principle has not failed to provide a modicum of it in practice. And so efficacious has it been that there is no reason why it should not be extended to our merchant marine. By a subsidy we are no more benefiting a few at the expense of the many than when we restrict foreign competition with our commodities and thereby save them for the benefit of America. By a subsidy we cover labor and other differences in cost here and abroad and thereby enable our ship builders and owners to survive upon the ocean. It seems to me it is just as worth while to save our merchant marine for America, in order that we may carry our own goods in our own bottoms, as it is to save our farms and our factories and the standard of living of our workmen, the highest in the world, for America. If we do not do so, the British marine will carry our goods. It is not good for one nation to depend upon another for anything, much less free and independent America. Great Britain is for Great Britain. I do not blame her for that. But I blame anybody here who is for Great Britain before he is for America. I want America to continue to be what she is, the first nation in the world, and therefore I want her to be first on the sea. You can not be first in anything unless you are willing to sacrifice. The sacrifice in money called for in this bill is infinitesimal as compared to the great good to our commerce which will result. And so I heartily support it.

If we look back over the past we find that the peoples of the earth which have risen to dominating position have been those which have been able to maintain themselves on the sea. Had the merchants and mariners of Tyre not gone down to the sea in ships, Phœnicia would not have given to the world the alphabet. The arrogance with which she used her power at last brought her to the doom prophesied by Ezekiel. By sea power Carthage also arose to dominion and for a time disputed with Rome for command of the Mediterranean. She held it with varying success during three Punic wars, until the hand of Scipio wrested it from her, and thereby was enabled to give us Roman law. Had Athens not built ships to meet Persia at Salamis, Alexander and his successors would not have been enabled to spread abroad the civilization of Hellas. When she, too, had finally passed under the power of Rome, the Italian peninsula developed state after state, which grew to prosperity through merchant fleets. Venice, Genoa, Florence, and Naples added their chapters to the maritime history of our globe and, therefore, to the spread of civilization. Portugal rounded the cape. Spain took a mariner from Genoa and discovered the continent which was to become the beacon to free the earth and which was to supply more wealth than the rest of the world combined. Spanish pride was brought low when Drake destroyed her armada. The Hanse towns followed in the wake of the Norse sailors in seeking new lands and markets. Holland enriched herself and gave herself strength to grant an asylum for the molested of other countries by the development of a marine which also fell before that of England. Then London, "great in the midst of many waters," became a second Tyre. She swept from the seas the merchant as well as the war ships of Napoleon and gave him the incentive for selling to us the vast territories comprised within the Louisiana Purchase, extending from New Orleans up the Mississippi to the Rockies.

In the very moment of England's zenith on the seas a new people which had sprung up out of her injustice in the days of the American Revolution challenged her supremacy. By the skill of her builders, the daring of her fishermen and sailors, and the genius of her merchants the United States outstripped the motherland and earned the title of mistress of the ocean. We gained a heritage with the reckless daring exemplified by John Paul Jones. Bath in Maine and Gloucester in Massachusetts rose to fame. In 1789 the United States had 123,000 tons of deep-water shipping, carrying 17 per cent of our imports and 91 per cent of our exports. Five years later we carried 91 per cent of our imports and 86 per cent of our exports. We caused Edmund Burke to declare in the House of Commons:

Neither the perseverance of Holland nor the activity of France nor the dexterous and firm sagacity of English enterprise ever carried this most perilous mode of hardy industry to the extent to which it has been pushed by this recent people—a people who are still, as it were, in the gristle and not yet hardened into the bone of manhood.

The War of 1812, fought by Great Britain to maintain the right of search and seizure, interrupted our marine development. But when the war was over we took hold again, and 12 years after the war was over the London Times asked:

Twelve years of peace and what is the situation of Great Britain? The shipping interest, the cradle of our navy, is half ruined. Our commercial monopoly exists no longer, and thousands of our manufacturers are starving or seeking redemption in distant lands. We have closed the western Indies against America from feelings of commercial rivalry. Its active seamen have already engrossed an important branch of our carrying trade to the eastern Indies. Her starred flag is now conspicuous on every sea and will soon defy our thunder.

From 1830 to 1836 our merchant marine increased 12 per cent a year while that of Great Britain increased 1 per cent. In the forties and fifties we were supreme on the seas. Then came the Civil War—four years of it. After that came the development of our manufactures. Railroad construction, manufacturing development, and the lure of the great West furnished new outlet for American capital and manhood. In 1870 we carried 35 per cent of our trade in our own bottoms, in 1880 but 17 per cent, and in 1914 but 9 per cent.

We have built up the West. We have developed our industries until we are the wealthiest Nation of all time. We have produced the inventive genius to enlighten and transform the world. We furnished the manhood in the Great War to turn the tide of battle and save our allies. We must now return to the great task we laid down in 1860 and again show what American intrepidity can do on the ocean. We must maintain our commerce and our civilization by our trade upon the sea. We must not lag behind in our quest of outlet for our energy, but must go on and enable our ships to carry forward the message of our civilization and our liberty. We must not admit that England can do that which we can not do. Republicanism is better than monarchism. Our civilization is superior to hers. Certainly the prosperity of our people is as vital to us as that of the English people is to England. Let us then give to our marine the few millions necessary to enable us to use the fleets we developed during the Great War and to use them for the benefit of America. [Applause.]

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 708. Subdivision (a) of subsection O of section 30 of the merchant marine act, 1920, is amended to read as follows:

"Subsection O (a). The documents of a vessel covered by a preferred mortgage may not be surrendered without the approval of the board, except (1) in the case of forfeiture of the vessel or its sale by order of any court of the United States or any foreign country, or (2) in case of the renewal of the documents without change in ownership of the vessel, or (3) in case of change of documents incident to change of trade but without change in ownership of the vessel. The board shall refuse its approval unless the mortgagee consents to the surrender."

Mr. BLACK. Mr. Chairman, the gentleman from Ohio [Mr. BEGG] has repeated to-day his oft-used argument in the House that Members from those States which do not show a large payment of income taxes should be reluctant to express their views upon pending legislation involving public expenditures. The gentleman took occasion to emphasize in his remarks that debate to-day upon the Democratic side of the House has been chiefly conducted by Members from Alabama, Tennessee, and Texas, and he referred to the speeches of these Members as demagoguery. Not having participated in the debate myself until now, I think I can say without immodesty that the debate from this side of the House has been of a very enlightening and informing nature and has been very far from demagoguery. Now, the gentleman from Ohio is, of course, a statesman, also an orator and a scholar. No one will dispute it, not even himself. The press of his State speak highly of him; the pulpit of his State speak highly of him; the bar of his State speak highly of him, but I have heard no one speak as highly of him as he does himself. [Laughter and applause.]

The gentleman refers, not only in this debate but he did so in the debate upon the good roads bill, to the small amount of income tax paid by the people of such great agricultural States as Texas, which produce a large part of the real basic wealth of the Nation, as compared to the amount of tax paid by certain financial and industrial States like New York, Pennsylvania, and Ohio. I want to say to the gentleman that the people of our great agricultural States are waking up to the fact that it is a matter of very serious concern to inquire why such a very large part of the income of the country flows into these great industrial and financial centers instead of being distributed to those who really produce it. [Applause.] And we are finding out—the people are finding out the reason why New York pays such an enormous income tax. They are finding out



why States like Pennsylvania and Massachusetts have such impressive income-tax figures. They know these great incomes have been built up largely because of subsidy legislation such as is proposed in this ship subsidy bill and by the Fordney-McCumber protective tariff. [Applause.] I am glad, Mr. Chairman, I have an opportunity at this hour to register my protest against this bill and my emphatic vote against it when the vote is taken.

One of the most serious economic and social problems with which we are now perplexed is the concentration of such a large part of the wealth of the country in the hands of so small a minority of the people.

I have no war to make upon capital legitimately acquired. I would like to see more men of capital. By that I mean more men of moderate means who are able by thrift and industry to accumulate something ahead and invest it in homes, in farms, in industries. Men will better be able to do this by equalization of opportunity, by removal of favoritism. Their task is made much more difficult by legislation like this we now have before us, which would vote a direct subsidy out of the pockets of the taxpayers into the pockets of the shipowners; it is made more difficult by laws like the Fordney-McCumber tariff law, which give indirect subsidies by means of high tariff rates.

These kinds of laws must stop if the average man is to have his chance. I voted against the Fordney-McCumber tariff law and I will certainly register my vote just as emphatically against this ship subsidy bill.

Mr. EDMONDS. Mr. Chairman and gentlemen of the committee, as I will not probably have another opportunity to say anything on this bill, I wish just to make a few observations.

#### WHAT IS A SUBSIDY?

It is peculiar of the present age that we are apt to speak in positive objection to propositions which upon investigation prove entirely different from the ideas we have acquired by superficial thought. One of the most recent examples of this is the turmoil created by the proposition to pay compensation to equalize the cost of operation between American and foreign ships, which can be termed "compensation," "subsidy," or "subvention" with equal propriety.

If you study your Standard Dictionary you will find a subsidy means:

Pecuniary aid directly granted by a government to an individual or commercial enterprise deemed productive of public benefit.

Synonyms: Aid, allowance, bonus, bounty, gift, grant, indemnity, pension, premium, reward, support, etc.

Illustration: A nation grants a subsidy to an ally, pays a tribute to a conqueror.

A subvention means "a grant" and compensation means "to recompense," taken in connection with the merchant marine. Any or either of these terms could be used to describe what it is proposed the Government should do to aid in the establishment of a merchant marine.

Subsidies for many purposes can be found by investigation into the history of all nations. The building of a merchant marine was only one of the many ways a subsidy was applied.

This also has been true of our own Government almost from the time of its origination and in many lines of endeavor. For instance, what is a tariff but an indirect tax on all of the people for the purpose of keeping American labor at a standard unknown in other countries? It is a subsidy to labor.

Much has been said about the opposition of the farmer to a subsidy to ships, particularly those farmers in the Middle West. It is a marvel to me that the farmer whose very existence on a farm was made possible by a subsidy can even think of a subsidy as an improper legislative proposition. No one knows better than he does that it was the 133 separate land grants made between 1850 and 1870 to railroad companies, covering a total of nearly 200,000,000 acres of the public domain, that made possible the opening of his markets. These grants were made with the full consent and assistance of the settled portions of the country and were indirectly a subsidy to the farmer, rendering his existence possible. A list of these grants will give an idea to many of the beneficiaries of this subsidy how dependent for their start they were upon them.

Land grants made by Congress for railroads, wagon roads, and canals.

	Total acreage.
Alabama	3,593,986
Arizona	1,615,534
Arkansas	3,784,023
California	23,273,548
Colorado	4,650,339
Florida	2,497,717
Idaho	6,165,633
Kansas	5,974,127
Illinois	2,919,415
Indian Territory	1,615,534
Indiana	1,916,803

	Total acreage.
Iowa	9,956,496
Louisiana	3,446,174
Michigan	5,455,157
Minnesota	17,386,521
Mississippi	1,292,851
Missouri	8,078,958
Montana	6,165,633
Nebraska	5,084,852
Nevada	2,423,955
New Mexico	1,615,534
North Dakota	6,165,633
Ohio	1,019,031
Oregon	12,855,268
Texas	1,165,534
Utah	2,423,955
Washington	6,165,633
Wisconsin	11,870,689
Wyoming	2,226,384

#### Roads—Federal-aid projects.

Geographic divisions and States.	Total cost.	Federal aid.	Per cent of total.
New England	\$9,489,651.07	\$4,199,541.65	44
Maine	1,629,481.90	765,880.65	47
New Hampshire	1,896,220.91	898,470.92	48
Vermont	417,352.96	202,388.65	48
Massachusetts	3,944,658.06	1,618,810.25	41
Rhode Island	1,284,454.89	550,080.40	43
Connecticut	347,482.35	163,910.78	47
Middle Atlantic	27,181,576.03	10,964,006.27	40
New York	3,661,043.05	1,654,722.81	45
New Jersey	3,073,022.31	1,161,457.31	38
Pennsylvania	20,447,510.67	8,047,826.15	39
East North Central	56,925,879.61	23,188,240.07	41
Ohio	16,621,864.40	5,555,550.57	33
Indiana	3,489,845.38	1,676,894.90	48
Illinois	22,826,302.37	10,432,933.60	46
Michigan	3,528,217.33	1,680,192.96	48
Wisconsin	10,459,660.13	3,842,668.04	37
West North Central	31,242,756.67	12,151,084.63	39
Minnesota	10,015,595.10	3,892,395.23	39
Iowa	8,632,692.90	3,264,878.62	38
Missouri	3,086,395.55	1,370,645.18	45
North Dakota	1,245,117.35	581,000.16	47
South Dakota	1,422,493.84	699,618.84	49
Nebraska	1,114,073.18	490,495.73	44
Kansas	5,736,474.75	1,881,540.87	33
South Atlantic	32,670,071.35	14,621,019.78	45
Delaware	1,615,761.45	393,654.83	24
Maryland	4,804,945.57	2,272,317.90	47
Virginia	2,244,087.68	1,082,056.08	48
West Virginia	2,652,694.80	1,175,746.28	44
North Carolina	5,318,607.40	2,403,197.92	45
South Carolina	3,892,032.75	1,820,326.80	47
Georgia	12,072,475.38	5,444,019.34	45
Florida	69,466.31	29,700.63	43
East South Central	8,471,955.65	3,975,182.38	47
Kentucky	1,882,002.53	844,787.46	45
Tennessee	1,241,632.29	580,897.44	47
Alabama	3,074,933.09	1,450,008.29	47
Mississippi	2,273,357.74	1,093,489.19	48
West South Central	20,472,996.43	8,248,017.00	40
Arkansas	4,921,772.29	1,625,965.00	33
Louisiana	2,577,021.44	1,121,901.86	44
Oklahoma	2,398,173.00	1,117,967.15	47
Texas	10,576,029.70	4,382,182.99	41
Mountain	24,506,593.42	11,687,463.15	48
Montana	5,181,458.02	2,533,322.95	49
Idaho	6,398,969.93	3,028,399.88	47
Wyoming	2,435,718.70	1,131,882.71	46
Colorado	3,315,210.11	1,556,392.59	47
New Mexico	1,737,692.74	866,992.27	50
Arizona	3,025,004.35	1,466,266.49	48
Utah	548,904.15	266,499.90	49
Nevada	1,863,635.42	837,706.36	45
Pacific	19,874,304.14	9,127,153.63	46
Washington	7,740,830.16	3,670,259.11	47
Oregon	9,086,285.21	4,032,957.06	45
California	3,097,188.77	1,423,937.46	46

Modern conditions have required that transportation to railroads and into near-by urban settlements should be made by vehicles and economy demanded that the old mud road should make way for the hard road so that greater loads and quicker passage of products would be guaranteed. Here, within the past few years, we again find Congress legislating in conjunction with the States for the expenditure of hundreds of millions of dollars for the joint construction of roads all over the country. Did the farmer then find the heavy taxpaying districts of the country refusing to countenance this subsidy which was of peculiar benefit to him?

And again in the past 10 years, from 1911 to 1921, the War Department has expended \$357,000,000 for river and harbor improvements, \$119,000,000 of which went for harbors and \$238,000,000 for rivers, just to enable the people of the Middle West to market their products cheaply—another subsidy from the Government for sectional benefit, and again no objection from the large centers of the country as to the charges involved.

Does the farmer not recognize the valuable assistance given him in the eradication of plant and animal disease by both



National and State Governments? In 1921 the National Government spent \$24,500,000 in this work. It is fair and proper to argue that the whole country is benefited by this subsidy, but the financial benefit from this expenditure of the taxpayers' money remains with the farmer and not with the taxpayer.

In the McKinley tariff of 1890, which provided for the free admission of sugar, the cane-sugar grower of Louisiana and the beet-sugar producer must remember the bounty on sugar of 2 cents per pound provided for in that bill, and did we ever hear of those interested protesting against the payment of that subsidy?

And yet with all of these subsidies continued for years, and with the good results achieved by them, and let us hope for many years to come that the good work will go on, we find the so-called agitator describing the farmer as up in arms against a ship subsidy, the only reason for opposition being that a ship subsidy will benefit but some few capitalists, when if his better thought is given to the subject he would find that he himself is the principal beneficiary. To no one industry in the country is the prompt removal of surplus so vital as it is to the farmer. Within the past year he can remember the advance in the price of corn occasioned by the removal of the corn for Russia, and surely no farmer is so ignorant as to expect the best thought and service for the removal of his surplus products to come from his competitor whose own personal interests must always be paramount.

If you do not pay a subsidy to your ships you must perforce pay tribute to your commercial enemies.

The late David Lubin said if shipping interests had a private understanding of what rates are to be "the few holders of such advance information will be in a position to operate in the bourses or exchanges as successfully as a gambler playing with loaded dice," and further, "Such information will enable them to manipulate directly or indirectly the principal market centers in the world." Is it the desire of our people to place such power in the hands of foreign shippers instead of American shippers? Remember the price abroad sets the price at home.

The opposition to subsidies for shipping in this country in the past has not been so much to the subsidy as it has been to the manner in which the subsidy was obtained and the payment of it to certain favored individuals under suspicious circumstances. The present proposed subsidy has no favorites; it is paid to all who qualify properly; and when a reasonable return is made by the recipient, he is required to return to the Government 50 per cent of all over that return until the full subsidy is replaced in the fund. No one can ask for a fairer provision than that.

If we turn our memories back to the years following the outbreak of the war in Europe and notice the unfortunate trend of prices when the foreign shipping that we depended upon to remove our surplus disappeared, we can readily realize the enormous value to the people, particularly the farmer, in having the shipping under our flag both for commercial purposes and, if the necessity arises, for defense. All the country was united in appropriating for one or two battleships annually, costing \$40,000,000 or more apiece. For the cost of one of those ships you are going to have afloat under the American flag from 700 to 800 merchant ships, useful not only for commerce but for purposes of defense. What more reasonable security could a nation like ours indulge in?

Carl Vrooman, Assistant Secretary of Agriculture under President Wilson, after experiencing the difficulties in the early days of the war, said in his address entitled "The Farmer and the Shipping Bill":

In the past the average farmer has not considered a merchant marine necessary to his happiness or his financial welfare. Our farmers have never been slow to make use of the most up-to-date agricultural implements, of the automobile, or of the tractor. Nor have they been at all backward about fighting for what they considered to be their rights in the matter of railway freight rates. But up to date most of our farmers, particularly in the Middle West, have paid little or no attention to their commercial rights and requirements in the way of ocean transportation. This is not because the question is not to them a vital one, but merely because the facts about it have not been brought to their attention.

If for any unforeseen reason Congress should fail to take steps at this session to provide the country with an independent American merchant marine, it would pay the farmers of America, and "pay them big," to chip in and build a merchant marine for themselves. Our farmers could readily afford to spend not merely the \$50,000,000 called for by the pending shipping bill, but \$100,000,000, or even \$200,000,000, in such an enterprise. If it were necessary, which it would not be, they could run such ships at a yearly loss of from 5 to 10 per cent on the last-named sum and still profit by the undertaking.

In other words, it is a fact capable of demonstration that the most crying need of agriculture in this country to-day is for an independent American merchant marine.

#### EXORBITANT OCEAN RATES.

At the beginning of the war it cost about 5 cents a bushel to ship wheat from New York to Liverpool, but during the past few months it has cost over 40 cents. The rate is now 48 cents. At the beginning

of the war it cost about one-fourth cent per pound to ship cotton across the Atlantic. To-day it costs in the neighborhood of 3 cents a pound. Other products of our farms and factories are paying similar extortionate freight rates.

As the world price of wheat is determined by the law of supply and demand, and is established at Liverpool rather than at your local market or mine, it is clear that if the cost of ocean transportation were to-day 8 cents instead of 48 cents, the wheat growers of this country would receive a substantial part of this difference in a higher price for their wheat. It is a highly significant fact that on February 15, 1916, the cash price of No. 2 hard winter wheat was 49 cents higher in Liverpool than in New York, while on the same day the ocean freight rate for wheat from New York to Liverpool was 47.9 cents. With facts like this staring us in the face it is not difficult to see the close connection existing between ocean freight rates and the price the American farmer gets for his wheat. It is true that we are getting good prices for wheat now, but, as Liverpool is paying enormously higher prices, there seems to be no good reason for allowing the international shipping combine to take advantage of the crop shortage in Europe and the ship shortage on the high seas to boost freight rates 100 to 1,600 per cent.

This year we have the largest wheat crop and one of the largest corn crops in our history. If we had adequate shipping facilities for carrying our goods at reasonable rates to the markets of the world, prices of farm products would be so enormously increased as to bring a net gain to our farmers of over \$300,000,000 on our wheat alone or our cotton alone. Moreover, even at present exorbitant rates, it is impossible to get ships in which to transport to market a large percentage of our products of farm and factory. Not only are all the docks and storehouses of our leading Atlantic ports glutted with goods but every important railway between the West and our seaboard has its terminals so crowded with loaded cars that a practical railway embargo recently has been declared on further grain shipments from the West.

Secretary McAdoo, in an address made January 9, 1915, in Chicago, said:

If ship subsidies can not be obtained, if discriminating duties are unavailable, if Government guaranties of the bonds of private corporations can not be granted, if the standard of wages of the American sailor can not be lowered, if private capital can not, for all or any of these reasons, be induced to build up an American merchant marine, what is the remedy?

You will note his recognition first of all of a subsidy as the most favorable and permanent way of upbuilding the American merchant marine.

The only option we have that it is possible to consider is Government ownership and operation. Surely no student of our Government would be willing to have the powers expressed by David Lubin placed in the hands of a government official or board. Again the experience of the past few years has shown conclusively that our Government as it is constituted is not flexible enough to enter into a business enterprise in which foreign competition is the principal factor. Decisions must be made on a moment's notice, and can be possible only by a management which is capable and has the authority to do so. Such powers can not be conferred upon a Government board with the expectation that they would act as would a private corporation or individual. Many times during the past few years Shipping Board boats have moved in ballast at an expense to the Government because cargo that was offered at rates lower than the fixed rate could not be taken for fear that the Government or its representatives would be charged with favoritism.

Overseas trade with the competition incident thereto does not lend itself easily to rules and regulations. Nothing more could be desired by our competitors than the defeat of this bill. By the use of every argument, both openly and by underhand methods, they have impeded our efforts to build up a merchant marine. They know control of shipping means control of the world's markets, and it must be evident to us that this opposition should arm us to guard against any propaganda that would confuse the issue, which is plainly before us, and that is American ships, under the American flag, delivering American merchandise for Americans, or foreign control of our markets through control of shipping under foreign flags. [Applause.]

Mr. Chairman, I ask permission to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. EDMONDS. Mr. Chairman, I move that debate on this section do now close.

Mr. HARDY of Texas. I would like to have five minutes on this section—well, all right.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

#### SURRENDER OF DOCUMENTS.

Sec. 709. Section 42 of the shipping act, 1916, is amended to read as follows:

"Sec. 42. That any vessel registered, enrolled, or licensed under the laws of the United States shall be deemed to continue to be documented under the laws of the United States within the meaning of section 9 and of subdivision (b) of section 37, until such registry, enrollment, or license is surrendered with the approval of the board, the provisions of any other act of Congress to the contrary notwithstanding."



Mr. TAYLOR of Tennessee. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Tennessee: Page 62, after line 19, add a new section to be known as section 7091, as follows: "Sec. 7091. All vessels which receive the benefits of this act shall be equipped with an efficient and quickly applicable vessel-saving device for quickly and effectively closing accidental openings in the hull of the vessel below the water line so as to stop the inrush of water and prevent the vessel from sinking."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment.

Mr. EDMONDS. I make a point of order on the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas and the gentleman from Pennsylvania make a point of order against the amendment.

Mr. BLANTON. It is not germane.

The CHAIRMAN. What is the gentleman's point of order?

Mr. BLANTON. That it is not germane to the purpose of the bill.

The CHAIRMAN. Has the gentleman from Pennsylvania any additional point of order?

Mr. EDMONDS. This is not germane to the section. Safety devices and such things are all covered in the present law, so far as it is possible to go.

Mr. BLANTON. If the gentleman wants to discuss it I will withhold.

Mr. TAYLOR of Tennessee. I do not want to discuss the point of order, but I want to discuss the merits of the amendment.

Mr. BLANTON. I will withhold my point of order.

Mr. TAYLOR of Tennessee. Mr. Chairman, I desire to take occasion now to state that I am in full accord with the principle of the American merchant marine. While there are provisions in this bill that do not meet with my entire approbation, my belief in the American merchant marine is such that I shall support the bill notwithstanding. I have the honor to represent a district that is distinctly American, a district that believes in flying the American flag in the commerce of all the seas. [Applause.]

I was actuated in offering this amendment mainly by the fact that I have in mind a life-saving device with which not only the vessels which may be benefited by this act should be equipped, but every vessel that plows the deep should be equipped with this life-saving device, or something similar to it.

As far as the point of order is concerned, I do not care to discuss that.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. Yes.

Mr. BLANTON. My main objection to the proposition is that it is in line with a propaganda—I do not know whether the gentleman has received it or not, but I know that I have on numerous occasions—that is trying to sell a certain patent of a certain individual to the Government for an enormous sum of money. I do not believe in selling patents or unloading on the Government in any such way as this amendment would ultimately imply.

Mr. TAYLOR of Tennessee. Neither do I; and under this amendment, may it please the committee, any worthy device might be presented and adopted. This amendment is not in the interest of any particular life-saving device, but it is offered in the interest of the seamen and passengers, as well as the cargoes, of all ships flying the American flag.

Mr. BLANTON. I make the point of order now, Mr. Chairman.

Mr. TAYLOR of Tennessee. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BLANTON. I make the point of order, Mr. Chairman.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. BLANTON. Yes. It is not germane to the purposes of the bill. It is not germane to the section preceding it. It is extraneous to any feature of this bill.

The CHAIRMAN. May I ask the gentleman, Does it not prescribe certain qualifications that vessels shall have which receive the benefits of this act?

Mr. BLANTON. I think not. You might go ahead and prescribe that they would have to be built out of a certain kind of material or that they all be oil-burning vessels instead of coal-burning, because oil-burning vessels are the best, and it might provide for other features of it.

The CHAIRMAN. Does not the gentleman think Congress has the right to provide that the ships receiving the benefits of this act shall be oil-burning or otherwise?

Mr. HICKS. Mr. Chairman, I do not think the amendment is necessary, because it is already covered in the La Follette Act. But it seems to me that it is clearly in order, because it deals with the registry of ships. I believe it is absolutely in order because it prescribes what should be on these ships that we are providing for. I contend that it is in order.

Mr. DAVIS of Tennessee. There are numerous provisions stated in the bill upon which the subsidy shall be granted, such as speed, the character of ship, the size, the registration, and other things. I think the amendment of my colleague is clearly in order.

The CHAIRMAN. It seems to the Chair that if the Congress so desired it might prescribe that all the ships receiving aid should be painted red, white, and blue. The Congress would have the right to do this. The amendment offered by the gentleman from Tennessee provides that ships receiving aid shall be equipped with a certain kind of life-saving device, which seems to bring this amendment within the rule. Therefore the Chair overrules the point of order.

Mr. HARDY of Texas rose.

Mr. YATES. Mr. Chairman, in reply to and in view of—

Mr. HARDY of Texas. I was asking for recognition when the motion was put.

The CHAIRMAN. The Chair was ready to recognize the gentleman from Texas.

Mr. HARDY of Texas. I will withhold for the time being.

Mr. YATES. Mr. Chairman, in view of the suggestion that we on the Republican side of the House are listening only to the voice of the Republican bosses, I desire to present for the prayerful consideration of the Democratic side of the House a telegram that I have just received from Hon. Edward F. Dunne, ex-Governor of Illinois, a Democrat. He says he would advise keeping the American flag flying on the high seas. [Applause on the Republican side.]

Here is the telegram:

CHICAGO, ILL., November 29, 1922.

HON. RICHARD YATES,  
Member of Congress, Washington, D. C.:

Would advise keeping American flag flying on the seas.

E. F. DUNNE,  
Ex-Governor of Illinois (Democrat).

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman, I want, like my friend from Pennsylvania [Mr. EDMONDS], to be permitted some little latitude in what I say in these five minutes. We are approaching the close of the debate and reaching a final vote, when the committee will rise and go into the House. When the proper time comes I propose to make a motion to recommit this bill for amendment, in accordance with the views of the minority members of the committee, and that motion will be to strike from the bill the provisions of Title II and the provisions of Title IV.

One of those titles, Title II, contains the provisions for tax exemptions for shipowners and owners of ship property. This title has 13 pages filled with special clauses to lessen the burdens of taxation to this special class and place those burdens upon the general multitude. The second title that we propose to eliminate—that is, Title IV—is the section making provision for direct subsidies.

In the progress of this debate there have been some minor amendments adopted which simply do not touch the root of the evil, but are homeopathic sugar-coated pills, to disguise the bill's iniquities and enable the majority to ram it down the throats of this Congress. Under Title IV, the direct-subsidy part of the bill, there are 24 pages marshaling special benefits that are given to certain great special interests. What are those interests? I will tell you what they are: Those benefits go to the Standard Oil Co. Those benefits go to the United States Steel Co. Those benefits go to the United Fruit Co. Those benefits go to the railroads of the United States that shall own the great ship lines across the ocean. I want to tell you that the four beneficiaries under this act which I have named—the Standard Oil, the Steel Trust, the United Fruit Co., and the railroads—will receive nearly all the benefits of this law. Those four beneficiaries in five years from the date of this act will own 90 per cent of the shipping overseas sailing under the United States flag. I challenge the successful contradiction of that statement.

Mr. BROOKS of Pennsylvania. Will the gentleman yield?

Mr. HARDY of Texas. If I am allowed time.

Mr. BROOKS of Pennsylvania. Would you not rather have Americans have that privilege than foreigners?



Mr. HARDY of Texas. I do not propose to give a hand-out of \$100,000,000 to foreigners or Americans. [Applause.] And no man within the sound of my voice ever dreamed of such a thing until these recent days. Why, when you were in power 15 years ago you had the opportunity, and a greater reason then for giving a subsidy than now. Then under the law and existing conditions American ships cost 50 per cent more than foreign ships, and it was argued, with some reason, that the subsidy was necessary to equalize the additional first cost of our ships; but to-day an American owner will buy his ships more cheaply than they can be bought anywhere else on earth by buying them from the Shipping Board; and the great railroad combinations and other great combinations, who run their ships across the Pacific and Atlantic, will own every line running from the United States, and they will buy these ships from the Shipping Board more cheaply than you can buy them anywhere else in the world. There was some excuse for your offering a subsidy when an American ship cost more than foreign ships, but there is none to-day when the American ship is the cheapest ship in the world.

My motion to recommit is designed to test the Members of this Congress and see what ones of them are willing to vote a hundred millions in tax exemptions and direct subsidies out of the pockets of the people and into the pockets of just four great combinations—the railroads owning ships, the Standard Oil, the Steel Trust, and the United Fruit Co. Three of these are the richest single corporations in the world to-day and their ships carry their own products, and the fourth, the railroads, already have a strangle hold on the private industry of the country. [Applause.]

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. TAYLOR].

The question being taken, the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### SEPARABILITY.

SEC. 711. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and of the application thereof to other persons and circumstances shall not be affected thereby.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: Page 63, line 6, add a new section, as follows:

"SEC. 711(a). No provision of this act shall become effective until July 1, 1924."

Mr. MOORE of Virginia. Mr. Chairman, I know the House is anxious to reach a final vote, and I will therefore take only a minute or two to discuss this amendment. It is offered in perfect good faith, and is intended to postpone the effective date of the act until the 1st of July, 1924.

Now I venture to state briefly three propositions: First, that this is a comparatively new measure and that there has been no full opportunity either for the House or for the country to consider it. It is not a life and death matter, and to delay the administration of its provisions, even though it should pass, for less than the 30-month period that has been so often talked about here, and for only about 18 months, certainly will not work any great disadvantage or harm.

The second proposition is that to postpone is in the interest of representative government. There has been a good deal of reference to what an existing Congress should or should not do after the election of a new Congress. My own personal view is that it would be much better and much wiser for the old Congress to devote itself to ordinary business and avoid the consideration of controverted business. There is now reported from a Senate committee a proposal to amend the Constitution so as to bring in at once a freshly elected Congress. I do not fancy the idea of tinkering with the Constitution, but I think it would be very well for Congress itself to determine, and have the backing of the public in determining that a Congress that is just about to go out shall confine itself mainly to the appropriation bills and other routine measures, and allow the incoming Congress freshly elected by the people to take up matters that are really in dispute, and particularly matters that have been made more or less issues in the course of the campaign.

The third proposition is stated for the purpose of showing that so far as I am concerned there is no partisanship in what is suggested by the amendment, the purpose of which is to give the newly elected Congress an opportunity, if it sees fit, to deal with this bill, if it is enacted into law, by amendment or by repeal after the 4th of next March, either in extra session or in the regular session beginning the first Monday of December of next year. And in order to show my friend from Wyoming [Mr. MONDELL], who stands there ready, I have no doubt, to move the closing of the debate, that there is no taint of partisanship in the amendment, I remind him that the next Congress will not be Democratic. The next Congress will be Republican. It will be of the same politics as the President who urges this measure, and certainly there should be no apprehension, if this Republican Congress can be counted upon to adopt this measure because it is meritorious, that the incoming Congress will undertake to repeal or materially amend it. [Applause.]

Mr. MONDELL. Mr. Chairman, I rise in opposition only to say that when a good thing is to be done the sooner you do it the better.

I move to close debate on this section and all amendments thereto.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MOORE].

Mr. FREAR. May the amendment be read?

The CHAIRMAN. Without objection, the amendment may be again reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MOORE].

The question being taken, on a division (demanded by Mr. MOORE of Virginia) there were—ayes 45, noes 175.

Accordingly the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### SHORT TITLE.

SEC. 712. This act may be cited as the "merchant marine act, 1922."

Mr. MONDELL. Mr. Chairman, I move to strike out the last word.

Mr. LANHAM. I desire to offer an amendment.

Mr. MONDELL. I will yield to the gentleman from Texas for the purpose of offering his amendment.

The CHAIRMAN. The gentleman from Texas [Mr. LANHAM] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 63, lines 8 and 9, after the word "the," in line 8, strike out "merchant marine act, 1922," and insert "ship subsidy act of 1922."

Mr. LANHAM. This is literally an amendment to strike out the last words. This section represents the final coat of camouflage. The ruling passion of the majority party in this measure, which seems to be an effort to deceive, is proving strong to the last. This section reads:

This act may be cited as the "merchant marine act, 1922."

I recall the substance of a statement made by Mark Twain in his *Innocents Abroad*. You know, there is a street in Damascus by the name of Straight. As a matter of fact, it is a very winding and crooked street. Mark Twain observed that St. Luke in referring to it says:

The street which is called Straight—

And then the great American humorist adds—

you notice that St. Luke was careful not to commit himself; he did not say the street was straight, but merely that it was called Straight.

It is much the same with reference to this bill. This final section says:

This act may be cited as the "merchant marine act, 1922."

It does not say that it is indeed a merchant marine act, but that it may be cited as such. The Republicans are careful not to commit themselves to the real fact that in essence and in truth this is a ship subsidy bill. [Laughter and applause.] And this amendment is offered in the final hope that a spade may be called a spade. [Applause.]

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, this is one case where "may" means "shall." This bill shall and will be cited as the merchant marine act of 1922 [applause], and as so cited it will bring joy and comfort and gladness to the hearts of those of the American people who love the flag, who glory in the story of its former triumphs on the high seas, and who pray to have it restored to all the water highways of the earth. [Applause.]



Mr. Chairman, at the beginning of this debate certain gentlemen objected to specific provisions in this bill. Gentlemen became quite eloquent, quite excited, I may say without exaggeration, because they felt that under it the Standard Oil and the Steel Trust were to become beneficiaries to a large amount. We believe that it is highly important, particularly in the event of war, that oil tankers and the ships of the steel corporations should carry our flag, but realizing that if these classes of vessels were allowed to share in the benefits of the bill the enemies of the legislation could and would create prejudice against it, the bill has been so amended that these two great organizations do not share in its benefits as to the ships they own and which carry their merchandise. Certain gentlemen objected because of that provision in the bill that gave American shippers in American bottoms a limited exemption in the payment of an income tax. That was a provision inserted in the bill wisely, in my opinion, in order that we might insure the ships we hope to place on the seas with full cargoes; but out of consideration to the tender sensibilities of certain gentlemen who claimed they wanted to vote for the bill if we only give them the opportunity to do so by eliminating everything that did not square with their consciences, we struck those provisions out. Then it was claimed that the bill did not give Congress complete power over the expenditures under the bill, and in order that gentlemen might not have that excuse to vote against the bill, provision was made by which Congress shall have control of all expenditures.

We now present the measure for a vote, with every provision stricken from it that by any possibility could meet with reasonable or even unreasonable objection from the standpoint of those who desire to help pass the measure and accomplish its purposes of establishing and maintaining an American merchant marine. I do not understand, Mr. Chairman, how any man can now vote against this measure unless he is determined that so far as he is concerned he will make no effort whatever to solve the great problem placed on the American people by the building of a great merchant fleet during the war, unless he is prepared to say that as for him and his people he neither desires nor expects to have a merchant fleet that shall carry our flag to all ports of the seven seas.

Mr. Chairman, the question is squarely presented to us, Shall Great Britain and Germany and all our rivals in international trade do all the shipping of the world, including ours, or shall America do her part of it? [Applause.] Shall we provide the ships necessary as auxiliaries of the Navy in any and every emergency, or shall we again be placed in the position that we occupied in the beginning of the World War, where we must depend upon the merchantmen of other nations to carry our men and munitions overseas? Unless we are prepared to say that we have no hope of an American merchant marine, that we have no desire for the maintenance or the building up of an American merchant marine, that we are willing for all time to come that the American flag shall be a stranger to the ports and harbors of the high seas, we must support this bill. Mr. Chairman, I move that all debate on this section be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise and report the bill to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BLANTON. Mr. Chairman, I make a point of order that under the rule adopted November 22, found on the top of page 38, action can not be taken until the hour of 4 o'clock arrives. I call attention to the language, "that the consideration of the bill for amendment shall continue not later than 4 o'clock." [Laughter.] Mr. Chairman, I ask for order, that is not all of it. "Not later than the hour of 4 o'clock postmeridian on November 29, at which hour"—that is, the hour of 4 o'clock postmeridian—"the committee shall rise and report the bill. It says it shall rise and report the bill" at the hour of 4 o'clock postmeridian. I submit to the Chair the point of order that Members of this House had a right to believe that when the rule was passed this vote should not be taken until the hour of 4 o'clock. There may be Members who are away from the Chamber, believing that the rule will be carried out. I submit, Mr. Chairman, that the rule should be carried out and that the committee should not rise and report the bill to the House for vote until 4 o'clock.

The CHAIRMAN. The Chair does not construe the rule as the gentleman from Texas construes it. As the Chair reads the

rule, it means that at any time after the reading of the bill under the five-minute rule for amendment it would be in order by a vote of the Committee of the Whole to report the bill back to the House with such amendments as have been agreed to. In case the debate ran until 4 o'clock this afternoon it would be the duty of the Chair at that hour to declare that by the order of the House the committee should rise and report the bill to the House. Construing the rule in this way, and believing it to be the proper construction of the rule, the Chair overrules the point of order and will put the question.

Mr. GARRETT of Tennessee. Mr. Chairman, the rule provides for the automatic rising of the committee.

The CHAIRMAN. There is a doubt about that, as to whether the committee can rise automatically and report the bill without a vote before 4 o'clock. Therefore the Chair will put the question.

The question is on the motion of the gentleman from Massachusetts that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is considered as ordered. Is a separate vote demanded upon any amendment?

Mr. CRAMTON. Mr. Speaker, I ask a separate vote upon the Edmonds amendment on page 31 with reference to liquors.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the other amendments in gross. The question is on agreeing to the other amendments.

The other amendments were agreed to.

The SPEAKER. The question is on the amendment on which a separate vote is demanded by the gentleman from Michigan, which the Clerk will report.

The Clerk read as follows:

Page 31, at the end of paragraph (d), insert a new paragraph, as follows:

"(e) Compensation shall not be paid in respect to any vessel for mileage covered upon a voyage if at any time during such voyage liquor for beverage purposes (the sale or transportation of which on land is prohibited by the national prohibition act, or any act in amendment thereof, supplemental thereto, or in substitution thereof) has been transported on the vessel with the knowledge or consent of the owner, charterer, agent, or master of the vessel, or sold on the vessel by or for the account of, or with the knowledge or consent of, the owner, charterer, agent, or master of the vessel."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 21, noes 207.

Mr. STAFFORD. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Wisconsin demands the yeas and nays. As many as are in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Thirteen Members have arisen, not a sufficient number, and the yeas and nays are refused.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HARDY of Texas. Mr. Speaker, I move to recommit the bill with instructions, which motion I send to the Clerk and ask to have read.

The Clerk read as follows:

Mr. HARDY of Texas moves to recommit the bill to the Committee on Merchant Marine and Fisheries with instructions to the committee to report the same back to the House forthwith with the following instructions:

"Strike from the bill all of the provisions of Title II, which said provisions all relate to granting exemptions from taxation not now allowed by law, and strike from the bill all the provisions of Title IV, all of which relate to granting subsidies to shipowners."

Mr. GREENE of Massachusetts. Mr. Speaker, on that I demand the previous question.

Mr. HARDY of Texas. Mr. Speaker, I demand the yeas and nays.



Mr. SANDERS of Indiana. Mr. Speaker, I make the point of order that the motion to recommit is not in order.

Mr. BLANTON. I make the point of order that that comes too late, the previous question having been moved.

The SPEAKER. If the gentleman states that he was on his feet ready to make the point of order, the Chair will recognize him.

Mr. SANDERS of Indiana. I was.

Mr. GREENE of Massachusetts. Mr. Speaker, I move the previous question.

Mr. SANDERS of Indiana. Mr. Speaker, if the reading of the motion to recommit is correct, the motion to recommit is that the committee send it back to the House with "instructions" to the House. Then, there is an additional matter of argument in the motion.

The SPEAKER. The gentleman is correct. The motion does say "with instructions to the committee to report the same back to the House forthwith, with the following instructions." Obviously the gentleman from Texas has made an error in what he intended to do.

Mr. HARDY of Texas. Mr. Speaker, I ask to modify the motion in accordance with what the Speaker just suggested.

The SPEAKER. The gentleman can withdraw his motion and offer another one.

Mr. HARDY of Texas. Then I offer the following motion to recommit.

Mr. SANDERS of Indiana. Mr. Speaker, I desire first to be heard.

The SPEAKER. The Chair will hear the gentleman from Indiana.

Mr. SANDERS of Indiana. Mr. Speaker, I do not think the precedent ought to be established, after the previous question has been ordered, that a gentleman may offer a motion to recommit and in that motion add an argument or what is supposed to be an argument in favor of the motion. He may make a motion to recommit, or he may make a motion to recommit with instructions to amend, but he can not be permitted to make an argument after the previous question has been ordered.

Mr. GARRETT of Tennessee. Mr. Speaker, I do not think the point of order is well taken. Of course, after the previous question is ordered is the only time that one can offer a motion to recommit under the rules of the House, and so far as there being an argument is concerned, I take issue with the gentleman upon that as a matter of fact. It is true there is descriptive matter in the motion. It gives the subject matter of the title. That is merely for the information of the House, but there is no argument in it.

The SPEAKER. The Chair will not rule at this time; but this is the way it strikes the Chair at first blush: It is true that in this case there is what appears to be a description, but it is hard to say what is description and what is argument.

Mr. HARDY of Texas. Mr. Speaker, I think we can obviate the objection by removing that part of it. I offer the following motion to recommit, which I send to the desk and ask to have read.

The SPEAKER. Without objection, the gentleman withdraws his previous motion to recommit and offers another, which the Clerk will report.

There was no objection.

The Clerk read as follows:

Mr. HARDY of Texas moves to recommit the bill to the Committee on the Merchant Marine and Fisheries, with instructions to the committee to report the same back to the House forthwith with the following amendment:

"Strike from the bill all of the provisions of Title II, and strike from the bill all of the provisions of Title IV."

Mr. GREENE of Massachusetts. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. HARDY of Texas. I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. GARRETT of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 172, nays 215, answered "present" 1, not voting 44, as follows:

## YEAS—172.

Abernethy	Bland, Va.	Byrnes, S. C.	Cramton
Almon	Blanton	Byrns, Tenn.	Crisp
Anderson	Boies	Cantrill	Davis, Tenn.
Andrew, Mass.	Bowling	Carew	Deal
Andrews, Nebr.	Box	Carter	Dickinson
Bankhead	Briggs	Christopherson	Dominick
Barbour	Browne, Wis.	Clague	Doughton
Barkley	Buchanan	Collier	Dowell
Beck	Bulwinkle	Collins	Drane
Bell	Burke	Connally, Tex.	Drewry
Black	Burtess	Cooper, Wis.	Driver

Evans	Jones, Tex.	Moore, Va.	Strong, Kans.
Favrot	Keller	Nelson, A. P.	Sullivan
Fields	Kelley, Mich.	Nelson, J. M.	Summers, Wash.
Fisher	Ketcham	Newton, Minn.	Summers, Tex.
Fitzgerald	Kincheloe	O'Brien	Swank
Frear	Kindred	Oldfield	Sweet
French	Knight	Oliver	Tague
Fulmer	Kopp	Park, Ga.	Taylor, Colo.
Gahn	Kunz	Parks, Ark.	Thomas
Garner	Lampert	Pou	Thorpe
Garrett, Tenn.	Lanham	Quin	Tillman
Garrett, Tex.	Lankford	Rainey, Ala.	Tincher
Gensman	Lazaro	Rainey, Ill.	Towner
Gilbert	Lee, Calif.	Raker	Tucker
Goldsborough	Lee, Ga.	Rankin	Turner
Griffin	Lineberger	Rayburn	Tyson
Hammer	Linthicum	Robison	Upshaw
Hardy, Tex.	Little	Rouse	Vinson
Harrison	Logan	Rucker	Voigt
Haugen	London	Sanders, Tex.	Volstead
Hawes	Lowrey	Sandlin	Ward, N. C.
Hayden	Lyon	Scott, Mich.	Weaver
Hoch	McClintic	Sears	White, Kans.
Hooker	McDuffie	Sinclair	Williams, Ill.
Huddleston	McLaughlin, Mich.	Sisson	Williamson
Hudspeth	McSwain	Smithwick	Wilson
Hull	Maloney	Speaks	Wingo
James	Mansfield	Stafford	Wise
Jeffers, Ala.	Mapes	Steagall	Woodruff
Johnson, Ky.	Martin	Stedman	Woods, Va.
Johnson, Miss.	Mead	Stevenson	Wright
Johnson, S. Dak.	Montague	Stoll	Young

## NAYS—215.

Ackerman	Faust	Langley	Reed, N. Y.
Ansorge	Fenn	Larson, Minn.	Reed, W. Va.
Anthony	Fess	Lawrence	Rhodes
Appleby	Fish	Layton	Ricketts
Arentz	Focht	Leatherwood	Riddick
Atkeson	Foster	Lee, N. Y.	Riordan
Bacharach	Free	Lehlbach	Roach
Beedy	Freeman	Longworth	Robertson
Begg	Frothingham	Luce	Rodenberg
Benham	Fuller	Luhling	Rogers
Bird	Funk	McFadden	Rose
Bixler	Gerner	McLaughlin, Nebr.	Rossdale
Blakeney	Gifford	McLaughlin, Pa.	Sanders, Ind.
Bland, Ind.	Glynn	McPherson	Sanders, N. Y.
Bond	Goodykoontz	MacGregor	Scott, Tenn.
Bowers	Gorman	MacLafferty	Shaw
Brennan	Gould	Madden	Shelton
Britten	Graham, Ill.	Magee	Shreve
Brooks, Ill.	Graham, Pa.	Merritt	Siegel
Brooks, Pa.	Green, Iowa	Michener	Sinnott
Burdick	Greene, Mass.	Miller	Slomp
Burton	Greene, Vt.	Mills	Smith, Idaho
Butler	Griest	Millsbaugh	Snell
Cable	Hadley	Mondell	Snyder
Campbell, Kans.	Hardy, Colo.	Montoya	Sprout
Campbell, Pa.	Hawley	Moore, Ill.	Stephens
Cannon	Hays	Moore, Ohio	Strong, Pa.
Chalmers	Henry	Moore, Ind.	Swing
Chandler, N. Y.	Hersey	Morgan	Taylor, N. J.
Chindblom	Hickey	Morin	Taylor, Tenn.
Clarke, N. Y.	Hicks	Mott	Temple
Classon	Hill	Mudd	Tilson
Clouse	Himes	Murphy	Timberlake
Cole, Iowa	Hogan	Nelson, Me.	Tinkham
Colton	Huck	Newton, Mo.	Tridway
Connolly, Pa.	Hukriede	Norton	Underhill
Cooper, Ohio	Humphrey, Nebr.	O'Connor	Valle
Copley	Husted	Ogden	Vare
Coughlin	Hutchinson	Olpp	Vestal
Crago	Ireland	Paige	Volk
Crowther	Jefferis, Nebr.	Parker, N. J.	Walters
Cullen	Johnson, Wash.	Parker, N. Y.	Ward, N. Y.
Curry	Kahn	Patterson, Mo.	Wason
Dale	Kearns	Patterson, N. J.	Watson
Dallinger	Kelly, Pa.	Perkins	Webster
Darrow	Kendall	Perlman	Wheeler
Dempsey	Kiess	Petersen	White, Me.
Denison	King	Porter	Winslow
Dupré	Kirpatrick	Pringey	Woodyard
Echols	Kissel	Purnell	Wurzbach
Edmonds	Kline, N. Y.	Radcliffe	Wyant
Elliott	Kline, Pa.	Ransley	Yates
Ellis	Knutson	Reber	Zihlman
Fairfield	Kraus	Reece	

## ANSWERED "PRESENT"—1.

## Aswell

## NOT VOTING—44.

Brand	Dyer	Kreider	Ryan
Brown, Tenn.	Fairchild	Larsen, Ga.	Sabath
Burroughs	Fordney	McArthur	Schall
Chandler, Okla.	Gallivan	McCormick	Smith, Mich.
Clark, Fla.	Herrick	McKenzie	Steenerson
Cockran	Humphreys, Miss.	Mann	Stiness
Codd	Jacoway	Michaelson	Taylor, Ark.
Cole, Ohio	Jones, Pa.	Osborne	Ten Eyck
Davis, Minn.	Kennedy	Overstreet	Thompson
Dunbar	Kitchin	Ramsayer	Williams, Tex.
Dunn	Klecza	Rosenbloom	Wood, Ind.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Brand (for) with Mr. Dunbar (against).

Mr. Aswell (for) with Mr. Kreider (against).

Mr. Cockran (for) with Mr. Codd (against).

Mr. Sabath (for) with Mr. Mann (against).

Mr. Kitchin (for) with Mr. Burroughs (against).  
 Mr. Clark of Florida (for) with Mr. McArthur (against).  
 Mr. Schall (for) with Mr. Dunn (against).  
 Mr. Taylor of Arkansas (for) with Mr. Smith of Michigan (against).  
 Mr. Overstreet (for) with Mr. Ryan (against).  
 Mr. Michaelson (for) with Mr. Thompson (against).  
 Mr. Williams of Texas (for) with Mr. Jones of Pennsylvania (against).  
 Mr. Jacoway (for) with Mr. Osborne (against).  
 Mr. Ramseyer (for) with Mr. Chandler of Oklahoma (against).  
 Mr. McKenzie (for) with Mr. McCormick (against).  
 Mr. Humphreys of Mississippi (for) with Mr. Fordney (against).  
 Mr. Herrick (for) with Mr. Stiness (against).  
 Mr. Larsen of Georgia (for) with Mr. Rosenbloom (against).  
 General pair:  
 Mr. Dyer with Mr. Gallivan.

Mr. ASWELL. Mr. Speaker, I voted "aye," and I am paired with the gentleman from Pennsylvania [Mr. KREIDER] and desire to answer "present."

The name of Mr. ASWELL was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GARRETT of Tennessee. On that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 208, nays 184, answered "present" 2, not voting 38, as follows:

## YEAS—208.

Ansorge	Fess	Lawrence	Reed, W. Va.
Anthony	Fish	Layton	Rhodes
Appleby	Fitzgerald	Leatherwood	Ricketts
Arentz	Focht	Lee, N. Y.	Riddick
Atkeson	Foster	Lehlbach	Riordan
Bacharach	Free	Longworth	Roach
Beedy	Freeman	Luce	Robertson
Begg	Frothingham	Luhning	Rodenberg
Benham	Fuller	McFadden	Rogers
Bird	Gerner	McLaughlin, Mich.	Rose
Bixler	Gifford	McLaughlin, Pa.	Rossdale
Blakeney	Glynn	McPherson	Sanders, Ind.
Bland, Ind.	Goodykoontz	MacGregor	Sanders, N. Y.
Bond	Gorman	MacLafferty	Scott, Tenn.
Bowers	Gould	Madden	Shelton
Brennan	Graham, Ill.	Magee	Shreve
Britten	Graham, Pa.	Merritt	Siegel
Brooks, Ill.	Greene, Mass.	Miller	Sinnott
Brooks, Pa.	Greene, Vt.	Mills	Slemp
Burdick	Hadley	Millsbaugh	Smith, Idaho
Burton	Hardy, Colo.	Mondell	Snell
Butler	Hawley	Montoya	Snyder
Cable	Hays	Moore, Ill.	Sprout
Campbell, Kans.	Henry	Moore, Ohio	Stephens
Campbell, Pa.	Hersey	Moore, Ind.	Strong, Pa.
Cannon	Hickey	Morgan	Swing
Chalmers	Hicks	Morin	Taylor, N. J.
Chandler, N. Y.	Hill	Mott	Taylor, Tenn.
Chindblom	Himes	Mudd	Temple
Clarke, N. Y.	Hogan	Murphy	Tilson
Claason	Huck	Nelson, Me.	Timberlake
Clouse	Hukriede	Newton, Mo.	Tinkham
Colton	Humphrey, Nebr.	O'Connor	Treadway
Connolly, Pa.	Husted	Ogden	Underhill
Copley	Hutchinson	Olpp	Vale
Coughlin	Ireland	Palge	Vare
Crago	Jeffers, Nebr.	Parker, N. J.	Vestal
Crowther	Johnson, Wash.	Parker, N. Y.	Voik
Cullen	Kahn	Patterson, Mo.	Walters
Curry	Kearns	Patterson, N. J.	Ward, N. Y.
Dale	Kelly, Pa.	Perkins	Watson
Dallinger	Kendall	Perlman	Webster
Darrow	Kiess	Petersen	Wheeler
Dempsey	King	Porter	White, Me.
Dupré	Kirkpatrick	Pringle	Winslow
Echols	Kissel	Purnell	Wood, Ind.
Edmonds	Kline, N. Y.	Radcliffe	Woodward
Elliott	Kline, Pa.	Ransley	Wurzbach
Ellis	Kraus	Reber	Wyant
Fairfield	Langley	Reece	Yates
Faust	Larson, Minn.	Reed, N. Y.	Zihlman
Fenn			

## NAYS—184.

Abernethy	Browne, Wis.	Cramton	French
Ackerman	Buchanan	Crisp	Fulmer
Almon	Bulwinkle	Davis, Minn.	Funk
Anderson	Burke	Davis, Tenn.	Gahn
Andrew, Mass.	Burtess	Deal	Garner
Andrews, Nebr.	Byrnes, S. C.	Denison	Garrett, Tenn.
Bankhead	Byrnes, Tenn.	Dickinson	Garrett, Tex.
Barbour	Cantrill	Dominick	Gensman
Barkley	Carew	Doughton	Gilbert
Beck	Carter	Dowell	Goldsborough
Bell	Christopherson	Drane	Green, Iowa
Black	Clague	Drewry	Griffin
Bland, Va.	Cole, Iowa	Driver	Hammer
Blanton	Collier	Evans	Hardy, Tex.
Boies	Collins	Favrot	Harrison
Bowling	Connally, Tex.	Fields	Haugen
Box	Cooper, Ohio	Fisher	Hawes
Briggs	Cooper, Wis.	Frear	Hayden

Hoch	Lineberger	Quin	Swank
Hooker	Linthicum	Rainey, Ala.	Sweet
Huddleston	Little	Rainey, Ill.	Tague
Hudspeth	Logan	Raker	Taylor, Colo.
Hull	London	Rankin	Thomas
James	Lowrey	Rayburn	Thorpe
Jeffers, Ala.	Lyon	Robison	Tillman
Johnson, Ky.	McClintic	Rouse	Tincher
Johnson, Miss.	McDuffie	Rucker	Towner
Johnson, S. Dak.	McLaughlin, Nebr.	Sanders, Tex.	Tucker
Jones, Tex.	McSwain	Sandlin	Turner
Keller	Maloney	Scott, Mich.	Tyson
Kelley, Mich.	Mansfield	Sears	Upshaw
Ketcham	Mapes	Shaw	Vinson
Kincheloe	Martin	Sinclair	Voigt
Kindred	Mead	Sisson	Volstead
Klecza	Michener	Smithwick	Ward, N. C.
Knight	Montague	Speaks	Weaver
Knutson	Moore, Va.	Stafford	White, Kans.
Kopp	Nelson, A. P.	Stegall	Williams, Ill.
Kunz	Nelson, J. M.	Stedman	Williamson
Lampert	Newton, Minn.	Steenerson	Wilson
Lanham	O'Brien	Stevenson	Wingo
Lankford	Oldfield	Stoll	Wise
Larsen, Ga.	Oliver	Strong, Kans.	Woodruff
Lazaro	Park, Ga.	Sullivan	Woods, Va.
Lea, Calif.	Parks, Ark.	Summers, Wash.	Wright
Lee, Ga.	Pou	Summers, Tex.	Young

## ANSWERED "PRESENT"—2.

Aswell      Sabath

## NOT VOTING—38.

Brand	Dyer	Kreider	Ryan
Brown, Tenn.	Fairchild	McArthur	Schall
Burroughs	Fordney	McCormick	Smith, Mich.
Chandler, Okla.	Gallivan	McKenzie	Stiness
Clark, Fla.	Herrick	Mann	Taylor, Ark.
Cockran	Humphreys, Miss.	Michaelson	Ten Eyck
Codd	Jacoway	Osborne	Thompson
Cole, Ohio	Jones, Pa.	Overstreet	Williams, Tex.
Dunbar	Kennedy	Ramseyer	
Dunn	Kitchin	Rosenbloom	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Kreider (for) with Mr. Aswell (against).  
 Mr. Mann (for) with Mr. Sabath (against).  
 Mr. Dunbar (for) with Mr. Brand (against).  
 Mr. Codd (for) with Mr. Cockran (against).  
 Mr. Burroughs (for) with Mr. Kitchin (against).  
 Mr. McArthur (for) with Mr. Clark of Florida (against).  
 Mr. Dunn (for) with Mr. Schall (against).  
 Mr. Smith of Michigan (for) with Mr. Taylor of Arkansas (against).

Mr. Ryan (for) with Mr. Overstreet (against).

Mr. Thompson (for) with Mr. Michaelson (against).

Mr. Jones of Pennsylvania (for) with Mr. Williams of Texas (against).

Mr. Osborne (for) with Mr. Jacoway (against).

Mr. Chandler of Oklahoma (for) with Mr. Ramseyer (against).

Mr. McCormick (for) with Mr. McKenzie (against).

Mr. Fordney (for) with Mr. Humphreys of Mississippi (against).

Mr. Stiness (for) with Mr. Herrick (against).

Until further notice:

Mr. Dyer with Mr. Gallivan.

Mr. SABATH. Mr. Speaker, I am paired with my colleague [Mr. MANN] of Illinois, who is ill. I was paired with him on the other vote. I desire to know if he voted on this vote.

The SPEAKER. No; he did not.

Mr. SABATH. Then I desire to withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

On motion of Mr. GREENE of Massachusetts, a motion to reconsider the vote by which the bill was passed was laid on the table.

## LEAVE TO EXTEND REMARKS.

By unanimous consent, leave to extend remarks in the Record was granted—

To Mr. GRIFFIN.

To Mr. SABATH.

To Mr. ROSSDALE. (On veterans' hospitalization and on the merchant marine bill.)

The extensions of remarks referred to are here printed in full as follows:

Mr. GRIFFIN. Mr. Speaker, no man ought to be blamed for consistency, yet so strange is the perversity of human law we frequently put him in jail. In putting forth this ship-subsidy proposal at this time the Republican Party must be complimented; it is running true to form; it is perfectly consistent in the policy which has characterized its recent history of catering to special interests at the expense of the taxpayers. The ship subsidy bill is the culmination of that policy; it is the



consummation of their economic program; it is the natural sequel of the enactment into law of a series of economic fallacies.

In order to understand and place this legislation in its true historic perspective we must go back to the great World War. The country incurred debts of great magnitude, unlike anything before in its history. The people had contributed their sons to the battle fields and gave up cheerfully of their substance in order to bring victory to our cause. While our boys were fighting in France their families at home were robbed by profiteers and immense fortunes were made out of the necessities of the Nation. The immense profits which the war accorded to the few were not begrudged at the time, because they were looked upon as among the inevitable incidents of war times. But there was a feeling that the great trusts which were profiting so handsomely by the war should contribute a part of their excess profits toward meeting the obligations of the Government arising out of the war, and that sentiment was crystallized into the act providing for the payment of a tax on excess profits. That act yielded the Government an immense revenue, but the greed and avarice of great wealth stirred up a propaganda to secure the repeal of the law which made them disgorge their unconscionable profits. This propaganda fell upon willing ears in the Congress that was elected two years ago, and their first act of important legislation was to repeal the excess-profits tax.

The effect of this repeal was almost instantly reflected in our Treasury receipts. In the fiscal year ending June 30, 1921, the revenue income of the Government was \$4,600,000,000. In the fiscal year ending June 30, 1922, our revenue receipts dropped to \$3,200,000,000, a loss of \$1,400,000,000 in revenue, as a result of Republican generosity to the trusts and moneyed interests of the Nation. This was the first error in economic policy.

The next step in the program was in the nature of an effort to recoup the national revenue losses by a new tariff bill—a bill which was to be neither flesh nor fowl—a weird economic Frankenstein which was to be designed to raise revenue and at the same time to protect American industry. Of course the veriest tyro in economic philosophy could detect the fallacy in such a program. It is not necessary to charge its authors with ignorance of economic law. They could not help but know that if they built a tariff wall around the Nation high enough to protect American industry to the extent demanded by its beneficiaries the revenue resulting from such customs duties would be almost negligible. It is therefore more creditable to their learning and judgment to say that they knew very well what they were about, and that their design was more to provide a monopoly for the profiteers than to furnish a revenue to our depleted coffers. The bill which they enacted into law, known as the Fordney tariff, augmented duties upon the necessities of life to such an extent that the profiteers are assured of being able to gouge the American people out of \$6,000,000,000 per year. On the other side of the ledger it will yield our Government not to exceed \$500,000,000 per year. In other words, for every dollar going into the national coffers through the customhouses of the land the profiteers will be able to put \$12 in their own pockets.

As fully and completely as the Fordney Tariff Act seemed to protect all kinds of American industry, there was one gap in the profiteers' armament left unprovided for, namely, the shipping industry. In fact, the shipping industry was actually hurt. It has been a sore spot to the Republican statesmanship for years that they have never been able to round out their economic policy. They have been troubled with remorse. They know that their protective tariffs have ruined any merchant marine we ever had and eliminated any prospect of building one up; therefore, I repeat, that they are perfectly consistent in going the full length in their policy in protecting ships as they have protected shops. Of course, it is a matter of very little concern to the plutocrats and their friends how great may be the burden they impose upon the backs of the taxpayers. Their slogan is, "First shops, now ships"; alas, poor shoppers!

It is amusing to hear references made to the pledges in the Republican platform of 1920. I thought that was a matter of ancient history. It has been so little lived up to, except in respect to the promises made to the profiteers, that I did not expect any Republican to be bold enough to refer to it. Was the subsidy declaration in the platform of 1920 any more solemn or binding than the pledge for the soldiers' bonus? That was disregarded very lightly, and I expect that the shipping pledge would not have given much concern if it were not for the big financial interests at stake. But why worry about the platform of 1920? The people have spoken again in 1922, and 170 of the present Congress bear the marks of their wrath.

The shoppers of the Nation have had an opportunity to observe the blessings of Republican policies. There is not a

workingman in the land who does not behold on all sides of him and suffer in his pockets the results of Republican economic fallacies. With clothing and foodstuffs, coal, fuel, and rent augmented beyond endurance, he is in no temper to behold with equanimity the presentation of further largesses to the profiteers.

It is said that it was designed to pass the ship subsidy bill as a Thanksgiving gift to the shipping and financial interests. That was done in the House according to program, but it is destined to meet with a snag in the Senate. It reminds me of the story of the clever white man and innocent red man who went hunting. As a result of their day's work they brought to camp a lean buzzard and a fat turkey. The white man said to the Indian, "Will you take the buzzard and I take the turkey, or will I take the turkey and you take the buzzard?" The American shopper—in other words, the consumer—is not in any humor at the present time to take a buzzard in the nature of a ship subsidy to round out Republican policies.

There has been a good deal of talk in this debate about putting the American flag back upon the seas. Who drove it off the seas? If we solve that riddle we will go far toward settling the question as to how it can be again restored to its pristine supremacy. If we trace back the history of our merchant marine we will find that it began to wane the moment this country, under misguided statesmanship, undertook to build up prohibitive tariffs. We made it impossible through these foolish laws either to build ships or to operate them.

The men who are going to profit by this bill can wave the American flag in vain. It is a part of our history that whenever any special interest has knocked at the door of Congress for special legislation it has invariably disguised its purpose by flaunting the American flag; so that now such tactics excite suspicion. We rightly suspect the man who unfurls the American flag to promote his own interest in time of peace. He may get away with it in war times, but in times of peace I would reverse General Dix's war mandate and say, "Any man who unfurls the American flag shoot him on the spot." The American flag should be the inspiration of men marching to battle, and not the camouflage of profiteers making a raid on the United States Treasury.

The United States Chamber of Commerce appointed a committee of 15 to study the ship-subsidy question. Eight out of the 15 are in the shipping business, and the others are more or less tied up with financial interests. Of course, they reported in favor of a ship subsidy, and the same ratio will be observed in all of the boards of trade and transportation which have bombarded Members of Congress with resolutions upon the subject. The question for us to consider is how the American consumer feels, and the best evidence of that is furnished by the American Federation of Labor and the various brotherhoods of workmen throughout the land. They all agree in characterizing the pending subsidy bill as "a most vicious effort to enrich big financial interests at the expense of the farmers, the wage earners, and small business men of the Nation."

MR. SABATH. Mr. Speaker, there is nothing that I can say or could have said on the pending bill which would be more effective and would express the reasons and objections to the bill as forcibly and clearly than which are contained in a letter I have received from the great student of economic conditions, the champion not only of the laboring man of this Nation but one who has at all times the interest of America at heart, Hon. Samuel Gompers, president of the American Federation of Labor, which I herewith insert as a part of my remarks:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., November 28, 1922.

DEAR MR. SABATH: Because the ship subsidy bill is to come before you on Wednesday for a vote I take the liberty of communicating with you at this time in order to lay before you a point of view which will, I am sure, impress you as worthy of consideration.

I am convinced that the country in the recent election intended to convey among other things its hostility toward the proposed subsidy. However, there are others who either do not so interpret the country's decision or who do not see fit to follow the country's decision.

It is unlikely that anyone has given the subsidy bill more careful study than has the American Federation of Labor. We have tried to find if by any possibility there was anything constructive and helpful in the measure. We are bound as the result of study to condemn the measure without reservation.

If study of the bill itself has failed to convince labor of its soundness, the debate upon it thus far has been equally without result. Little that has been said in official circles indicates any real understanding of the subject.

When former subsidy bills were before Congress the whole cry was ships, ships, ships, give us ships and we will have a merchant marine. Now we have the ships, and the one great question is, What are we going to do with them? We can not compete, so it is stated, and as things really are it is largely true.

Within the last two years the shipowners and the Shipping Board have done their utmost to destroy what skill and efficiency exist on American vessels at sea. That they are doing this consciously is not



conceivable. They are doing it, however, and evidently because they do not understand that the human element in shipping, as in all other competition, is the determining factor. While we are driving all the skilled men from the sea England is drawing to herself the skilled men by her policy. This last spring England adopted the policy of gradually getting rid of inefficient men. She is doing it by a combination between the seamen themselves through their organization, the shipowners through their organization, and the board of trade. The officers on the vessels provisionally select the men, who then go to the office of the union to be further passed upon under a regulation known as port consultant regulation No. 5. Under this system and the wages paid she is drawing to herself the efficient men and pushing the inefficient men over to us.

When the war ended Germany had no ships. She had shipowners who knew commercial geography, and therefore were to have their ships if possible at a given time. She had officers and seamen who could handle ships at sea and in harbor and keep those ships out of the repair yards. She is coming back into ocean carrying with the speed of a race horse. We have the ships, but our shipowners seem to have no understanding of the world's freight market or commercial geography nor any appreciation of the skill and efficiency needed on board of vessels, and we are spending money stupidly if not criminally. Why is it that business men who ordinarily have common sense seem to be incapable of realizing that in the competitive business success is determined by the human element to the extent of at least 75 per cent, while something less than 25 per cent is dependent upon the material element?

The subsidy bill now before you will not bring men and competence into the merchant marine. It will bring enormous sums of money into the pockets of a group of subsidized shipping financiers, and this group will constantly grow smaller under the monopoly-creating provisions of the bill.

Labor's position on the question of subsidy remains without change. The most strenuous efforts have been made to bring about a change in this position. In earlier years shipowners resorted to attempts at bribery, these being matters of official court record. I know of no such crude efforts in connection with the present bill, but in abundant measure friends of the bill have used subtler methods. Our position on this bill, however, is based on a study of the bill itself. It is without doubt one of the most brazen Treasury-looting schemes ever devised.

And scoundrelly measures, like scoundrelly men, take refuge in patriotism when no other offers. The bill is urged on grounds of patriotism. It is difficult to think of anything more unfitting.

This bill will not give America a merchant marine, though it may give us a bankers' marine. Labor joins with all others who want a well-manned adequate merchant marine. But it denounces this bill as a fraud, a robbery, and wholly indefensible.

Let it not be forgotten, either, that once enacted the bill must remain in force for 20 years. Contracts made for that length of time will tie the hands of future Congresses.

I am laying these views before you in behalf of the executive council of the American Federation of Labor and in conformity with the findings on the subject as approved by the last convention of the American Federation of Labor.

Sincerely hoping that the above may receive your early and favorable support, I am,

Very truly yours,

SAM'L GOMPERS,

President American Federation of Labor.

Hon. ADOLPH J. SABATH,  
House Office Building, Washington, D. C.

Mr. ROSSDALE. Mr. Speaker, the merchant marine, or, as it is popularly termed, the "ship subsidy bill," is intended as a practical measure to keep America's flag upon the seas. It is based upon a system that has been long in practice by all the great maritime nations. It is fundamentally a sound business plan to enable our merchant shipping to compete with its foreign rivals.

In all likelihood this or any plan of ship subsidy or Government aid for ships is the least understood and most misrepresented of all great public questions. Whenever in the history of our country a subsidy of any kind for any particular purpose was at issue, it was always attacked as in the interest of a part of the people as against the interests of all of the people.

It is perhaps unfortunate in a sense that this merchant marine measure is called a "subsidy," since it provides its enemies with a subtle weapon of attack. To the unthinking and the shortsighted a subsidy always conjures up imaginative thoughts of the Government giving away something to somebody in which all will not share except in the payment of the cost thereof.

The principle of a subsidy is not new. It has been practiced throughout our history. It began with favored land grants to encourage settlements in early colonial days. At a later period we assisted private railroad construction across the then almost limitless expanse of prairie and forest by extensive grants of money and land. The area of lands granted in the form of subsidies to aid railroad construction in the United States is said to be equal to that of the thirteen original States and is greater than the area of Germany and Italy combined, or of France, Belgium, and Great Britain.

The previous Sixty-sixth Congress re-created the "War Finance Corporation." Its functioning in peace times is a subsidy to American farmers. This Congress enacted tariff legislation, which is a form of subsidy to American producers. The immense Federal appropriations for good roads are subsidies to the granger communities, some of whose representatives are conspicuously ranged in opposition to this bill.

Our second-class postage rate is also a form of subsidy. If we examine its cost, we find it is the biggest subsidy of them

all. Publishing newspapers and periodicals is a business, yet newspapers and periodicals are educational and a public necessity; hence we subsidize them to the extent of carrying them in the mails at a heavy loss. Few, if any, however, will dispute the wisdom of the Government giving the press this preferential postage rate aid.

How often have those who now loudly decry against a ship subsidy argued and fought for Government aid for various other projects. Not every subsidy is generally known by its title. However, to me a subsidy by any other name is no less a subsidy. I have no apprehension on the score of Government aid in private endeavor when benefiting the public in general.

This much-debated ship subsidy is not an innovation. Long ago the United States built up a considerable ocean passenger and carrying trade by subsidies. If the darkening shadows of the threatened Civil War had not clouded and obscured the vision of the Government in the late fifties, our ship-subsidy policy would not have been abandoned, and perhaps America, and not Great Britain, would since have had the commercial mastery of the seas.

It is conceded even by the opposition that an American merchant marine is desirable. There are few who will dispute that American ships, owned by Americans, manned with American crews, riding the waves, and carrying our commerce, are of benefit to all of our people.

The opposition of our Democratic friends on the other side of this Chamber is the usual opposition of a minority who oppose legislation presented by the majority. Looking backward for a brief span of years, from 1914 to 1920, this Democratic opposition to a merchant marine now appears ludicrous. Why, the Shipping Board, with its iniquitous Government ownership and operation of ships, was wholly a Democratic Party creation. Three billions of good American dollars was sunk in that huge fleet that now lies rusting and rotting for want of an intelligent, practical subsidy operation plan.

Democratic opposition to a merchant marine now is purely political. It is pandering to the prejudices that exist in many districts far removed from salt water. This inland reaction against a merchant marine is merely temporary. It can only be explained upon the ground of a mistaken belief at present existing in the interior agricultural sections that this is a seacoast proposition which only indirectly affects them.

It would be useless to deny that it will confer great benefits upon our seacoast cities. Perhaps it will benefit them to a larger extent than it will the granger country in the South and West; but whatever directly benefits a part of our country must indirectly benefit all the rest, whether along the seacoast or in the interior.

It may be that there are those in the tobacco, cotton, corn, or wheat growing districts who do not look with favor upon this legislation upon the theory that shipping is of remote concern to them. To those I would say the benefits of keeping the Stars and Stripes upon the seas accrue to the entire Nation and not, as is intimated, only to shipping interests along the seacoast. Is there a farmer, grower, stockman, trader, or merchant in any of those districts who, pressed for a reply, would not say he preferred to have his products shipped in American bottoms? Of course he would prefer it. Let us give them the opportunity. Under the operation of this proposed act it will annually cost about thirty or thirty-five million dollars for a ship subsidy, or about 30 cents per capita per annum for every man, woman, and child in the United States. What American would not give 30 cents each year to keep our flag afloat?

This bill is not to create a new merchant marine. We already have one. It is a war-time legacy from the Wilson administration. It is to utilize the fleet of 1,442 steel vessels, totaling 7,000,000 tons, that we already have, most of which is idly riding at anchor in our harbors.

It is intended to salvage and place in operation the larger portion of this fleet, which was created in that stupendous riot of war-time extravagance, that staggering spending orgy of billions of dollars.

The present Shipping Board reduced its annual deficit to about \$50,000,000. This outlay represents the most economical Government operation possible. It has about 350 vessels in actual operation. The balance of the fleet lies idle, slowly deteriorating. Already many of these ships have become unseaworthy and are only fit for the junk man to dismantle. Unless the others are soon placed in operation they, too, will have to be scrapped.

It is patent to all who have studied the subject that Government operation can not successfully compete with private operation of our foreign shipping rivals, who enjoy the favor of subsidies from their governments. If we are to salvage the



balance of the fleet now idle, private operation must supplant the present system. It can only be done by subsidy, which will cost even less than Government operation does at present.

If the plan offered in this bill is not a good solution of our shipping difficulties, what substitute plan is offered by the opposition in its stead? I have closely followed the criticism brought out in the debate and fail to perceive any substitute presented to solve the problem.

It is admitted that there is no foreign purchasers' market for the ships at even a fraction of its present replacement value. A continuation of the present costly Government operation is not feasible. In the absence of any other method, perhaps taking the ships to sea and sinking them would be cheaper in the long run, but such cowardly action would clearly be indefensible and is not to be thought of.

I was raised in the great throbbing seaport of New York, and lived there all my life. I have had abundant opportunity to observe and study merchant shipping. The numerous advantages of a merchant marine are perhaps better understood by those who are closest to its operations.

As a boy I spent much spare time along the water front. I used to play about the wharves and piers where the big ships docked. I recall the strange looking sailormen of the varied ship crews. They were almost all foreign vessels that came to our port then. On those rare occasions when a ship came in flying our flag the youngsters on shore would shout with glee to see the stars and stripes at the masthead. Often in boyish wonder we queried why there were so few American ships.

In later years I learned the reasons why American ships were seldom seen in those days, and I am glad the time is now happily gone by, and may it never be again that the merchandise we import will come to our ports mostly in foreign vessels while the products of our farms, fields, and factories are exported in the same foreign bottoms.

Our course is clear, we must either decide to continue the present costly Shipping Board Government operation that can only operate a small part of our fleet or else pass this subsidy bill that will send the greater portion of these modern argosies we possess sailing the seas from our ports to and from every port everywhere on the habitable globe.

#### THE POWERS AND DUTIES OF A FEDERAL GRAND JURY.

Mr. WOODRUFF. Mr. Speaker, one of the most powerful agencies to reach and combat crime in high places is the Federal grand jury, and when the law is falling down in high places the average citizen should be educated in the civic duties which he or she may be called upon to perform.

At the request of Capt. H. L. Scaife, counsel for the Woman's Clean Government Organization, which is doing a great work in this country in the cause of civic righteousness, I ask unanimous consent to insert in the Record the instructions to the grand jury delivered by Judge John M. Killits, of the United States district court at Toledo, Ohio, in which the powers and duties of the grand jury are set forth in a clear and able manner:

INSTRUCTIONS TO GRAND JURY, APRIL 25, 1921.

(By Judge John M. Killits, United States District Court, Toledo, Ohio.)

It seems necessary to formally and thoroughly charge the present grand jury, and it is greatly to be desired, first, that your body should understand its place as part of the machinery of the court. You are organized under the common law, with all the characteristics and functions which pertain to such an organization.

#### GRAND JURY AN INDEPENDENT BODY.

When once empaneled, you have an independent, if a related, function in the administration of the law. It is the independence of the grand jury of any control when acting lawfully that should be emphasized in your understanding. That is the most effective characteristic justifying and making practical the grand-jury system.

Your body is complete within itself. Your duties are to inquire into the social conditions of this division of 21 counties and to advise by bill of indictment or otherwise respecting the observance therein of the laws of the United States. You may inquire into any transaction which has transpired within the past three years and which can be reported to the court by bill before that period has expired. In the exercise of your duties you have no control over you except the law and the facts.

#### COURT POWERLESS TO DIRECT.

The court has no power to direct you to do anything or to omit to do anything, so long as you are acting properly within your inquisitorial functions. It is impossible for the court to say that you shall or that you shall not direct the prosecution of any person. All we can say is that if the law as you understand it and the facts which come to your attention suggest to your judgment a probability that a Federal crime has been committed in any instance, and that the facts suggest further the personality of the probable offender, you should present a bill of indictment; but that if the conditions of law and fact do not so satisfy your judgment, you should not return a bill of indictment. The court may control your judgment of the law, and you should look to the court alone as your conclusive guide as to what the law is pertaining to any particular case, but the court has no power to influence your judgment of fact.

#### DISTRICT ATTORNEY MAY NOT COMMAND.

What has been said respecting the court's lack of power to interfere with your work applies with equal force to the office of the district attorney. He and his assistants have in no sense any direction over you. You are in no particular subject to their instruction. They are your servants, to assist you, to be of use to you, but no one of them is even indispensable. You will make use of them, consider their advice as to the law and their suggestion as to the probative force of the facts, but you should thoroughly understand that their capacity is that of servants to the grand jury and that you, and neither the court nor any one from any Government office, are the sole judges of the facts. It is entirely competent for you to conduct your investigations in the absence of any representative of the district attorney's office.

#### GRAND JURY SOLE AUTHORITY.

I hope that there will be no misunderstanding respecting any of the foregoing. There is no authority anywhere to say who shall or who shall not be prosecuted for an offense against the United States, not the court, not the Attorney General, not the district attorney or any one of his assistants—no authority except for the time being this grand jury. The Attorney General for the President, the district attorney, the court, may advise—none may order.

#### GRAND JURY MAY ORDER SUBPENAS.

As a matter of convenience, you will doubtless depend upon the district attorney or one of his assistants for the summoning of witnesses before you and for the range of inquiry respecting any particular matter, but you are advised, with the trust that you will heed the advice, that this is a matter of convenience only and not of obligations upon this grand jury. It is competent, and possibly it may, at times, become important, for you to direct your foreman by vote or otherwise to summon witnesses whose names may occur to the body or any individual member of it, and the foreman is authorized by law to execute the will of the grand jury in that behalf, by filing with the clerk a precept for the subpoenaing of witnesses, whether such a course meets with the approval of the district attorney, the Attorney General, or even of the court. In such cases it is the duty of the clerk and the marshal to issue and cause to be served such subpoenas. You have the power of your own motion to command the presence before you as a witness of any person anywhere within the territorial limits of the United States. A subpoena directed by you runs beyond the limits of this district. No power but your own good judgment controls you here. Only a manifest abuse of discretion by you may go before even the court.

#### HOW CASES APPEAR—TRANSCRIPTS.

Cases may come to this grand jury in four ways. Each is of equal dignity. And once a case comes to the grand jury in any of these ways, it should receive the same sort of consideration. First, a case may come formally through the fact that some person has been bound over to the grand jury through the action of a court commissioner. Such a case is called a transcript case. It is necessary that formal action thereon be taken by the grand jury and formal report made to the court upon every transcript case because it is already on the court's docket. On the occasion of the final report of the grand jury, there should be presented to the court a statement in writing which gives the title of every transcript case which has been presented to the grand jury, as to which it was the formal judgment of the grand jury that no bill should be returned. This report should not be made until the grand jury is ready for discharge, because it is within the power of the grand jury at any time during its session to reconsider any case in which action has hitherto been had, if unreported. No action of the grand jury ignoring a transcript case is final to the release of the transcript defendant's bond until the day of the final discharge of the grand jury.

#### DISTRICT ATTORNEY'S REPORT.

A second method of bringing cases to the grand jury is through verbal representations of the district attorney or his assistants. It is the district attorney's duty to inform the grand jury respecting any probable violation of law which has come to his attention and to assist the grand jury in examining into the matter. In cases of this character, if no bill is voted, there is no necessity and it is inexpedient to make a formal report thereof to the court.

#### GRAND JURY'S INITIATIVE.

A third manner in which cases may properly come before the grand jury is through the interest in any matter which may appeal to any member of the grand jury. Should any one of your body receive significant information concerning a probable violation of law, it is his duty to take into his confidence his fellow jurors, and it is your privilege, and may in some instances be your duty, to proceed with a thorough examination into the matter without relation to the wishes of any other officer of the Government or of the court. In this respect you have an independent initiative, and in the exercise of this function lies the greatest usefulness often of a grand jury as the conservator of law and order. It is a power which should be carefully and discreetly exercised but which, when once entered upon, should be proceeded with fearlessly, impartially, and firmly. Respecting its exercise, your foreman is subject to the majority will of the grand jury, and the breadth and scope of your investigations are limited only by the law itself. The court can do nothing more than simply to hold you to observe the law. The court commends to your most earnest consideration this independent power enjoyed by you.

#### COURT'S SUGGESTIONS.

A fourth way in which matters may come to the grand jury's attention is through the recommendation of the court itself. We propose further in this charge to direct your attention to some matters which seem to the court to be of sufficient importance to merit your consideration. You will observe, however, that once the court has suggested these matters to you, the court's function in that behalf ends. We have no power to enter into your deliberations and to control your conclusions. You will please observe also that in reporting these matters to you, the court is not at all offering an opinion whether there is a probable cause to find an indictment. We do not even attempt to advise you what the facts are. They are for you to discover in a more legitimate way. In venturing an instruction to you respecting any one of these matters, we apply the law to a purely supposititious state of facts, and in no way must the court be understood as advising that facts exist in any case sufficient to demand of you a bill of indictment.



## TWELVE GRAND JURORS MAY ORDER BILL.

No bill of indictment can be returned unless it is ascertained, by any definite way satisfactory to the grand jury, that at least 12 of its members so decide, in which case it is the duty of the foreman to sign, and of the district attorney to prepare and indorse, a bill of indictment, no matter what may be their individual views respecting the providence of such action.

## EVIDENCE BEYOND REASONABLE DOUBT NOT REQUIRED.

You will please note in this particular that the law does not require that even 12 members of the grand jury be convinced of the truth of the charge beyond a reasonable doubt. Often justice miscarries because a grand jury misunderstands this and demands evidence beyond a reasonable doubt when a prima facie case or proof of probability only is necessary. Many prima facie cases made by the Government on trial before a petit jury become convictions beyond a reasonable doubt when the defense is heard. The law is that if it be the judgment of the grand jury, or 12 members thereof, that the facts suggest a preponderating probability of the truth of the charge, a bill should be returned. This is the question, then, which a grand juror should ask himself: Does the evidence disclose that the crime in question has probably been committed by the person under consideration? If that is his judgment, he should vote for a bill. He should not insist on proof convincing his mind beyond a reasonable doubt. Involved in this proposition is the fact that the grand jury is not to take upon itself the burden of determining any case absolutely on its merits. It must not permit itself to usurp the functions of the court and petit jury. It must remember that it is a preliminary body altogether, to protect the individual against an improvident prosecution for a serious offense, and to secure to the public an impartial and dispassionate investigation into the observance of the law.

## SHOULD NOT HEAR DEFENSE.

You ought not, therefore, to demand or even permit the presence of a defendant. It is bad practice and against settled Federal authority to give one whose case is under investigation an opportunity to be heard in person or by his witnesses. So to do is to go beyond your functions, and respecting a great many offenses the practice is especially pernicious. The merits of a case should be tried in the open, upon testimony under public scrutiny and under the trained guidance of the court. Only in this way can testimony be confined to its legitimate channels. Again, the merits of the case should be determined by a jury which, respecting that particular case and its particular facts shown in testimony, has the benefit of the court's explanation of so much of the law as applies to the exact issue. None of these safeguards is practicable to be had in the grand jury room, and this court will not permit a case to be so finally disposed of by the grand jury if it is aware of the fact. Just as the defendant under the Constitution is entitled to have the case against him presented in his presence and in the open, so the Government is entitled to have the defense made in the open and under the scrutiny of the only agency, namely, the court, which has the power to keep that defense within its legitimate channels.

## SCOPE OF TESTIMONY.

The jury should be satisfied that evidence has been presented to it touching every essential question, consideration of which goes to make up a case. But, involved in the proposition that you are not called upon to go further in your judgment than to see in the facts a strong probability of the truth of the charge is the fact that you are not required to ask conclusive or even all of the proof upon any particular subject. It is often advisable, especially in cases of very great importance, that the district attorney be not compelled to spread his whole case before the grand jury. Yet enough of it, covering every essential element of the charge, should be presented upon sworn testimony to enlighten the jurors' judgment as to what the probabilities are.

## JURY CONTROLS ITS MOVEMENTS.

As you go from this charge an independent branch of the court until your work is completed, it follows that you sit and rise upon your own initiative. The court may summon you from time to time, but once summoned, only you have the right to determine when you will recess or how long your sessions shall be. The court advises you to be as expeditious in the transaction of your work as may be practicable, to be as economical of public money as you fairly can, but at the same time do not let considerations of expense interfere with a thorough inquest into conditions.

## NO STATE OFFENSES INVOLVED.

This court administers the laws of Congress only. Many alleged crimes are reported to Federal officers which can not be prosecuted except in the State courts. We have nothing to do with them. A general understanding of this fact would save the court much inconvenience and misunderstanding on part of the public.

## THE NATIONAL PROHIBITION ACT.

Just now the national prohibition act is most in the public mind. Because of that fact diligence in its enforcement is very necessary, or else respect for law generally will greatly lose ground. This court conceives the enforcement of this act to be a supreme test of the question whether this is a law-abiding democracy or not. Therefore, we have no hesitation in asking this grand jury to join the court in taking up the gauntlet and in accepting the challenge that this act can not be enforced.

## LAW EASILY ENFORCEABLE.

Our opinion, after an active experience of more than a year, is that the act can easily be enforced and the dignity of the law can be upheld, if there exists an intention on the part of the officers of the law to do their plain duty. It is our judgment that the so-called public sentiment, against which the operation of the law is said to contend, is not the sentiment of any considerable portion of the people of this community; that those who lack sympathy with the enforcement of the law and the law's purpose, and who proclaim a hostile public sentiment regarding it, are in a hopeless minority, prominent because of the noise they make, and more numerous in sound than in fact. It seems very clear that if there were a hostile public sentiment here toward this law, the fact would be reflected in our juries, which are drawn from the average of respectable citizenship. Our observation, here and at other places of holding court in this district, is that, given a fair presentation of the facts, our juries treat cases under this law upon their merits as carefully and dispassionately and vote for verdicts of guilty as readily as in cases of infractions of other laws. In fact, the only difficulty encountered in the enforcement of this statute is that which arises from cupidity of many persons, coupled with a

further fact that the illicit liquor business peculiarly involves surreptitious and somewhat easily concealed transactions. It is the same difficulty in about the same degree which obtains in the detection and prosecution of narcotic crimes. One who engages in it is indeed largely protected by a lazy belief that the law's enforcement is not supported by public sentiment. It is this court's experience that the enforcement of any law is already half done when it is generally understood among the people that those who have an official duty to enforce it propose to perform that duty unflinchingly.

## PUBLIC HEALTH INVOLVED IN ENFORCEMENT.

There is now a great public concern in the rigid enforcement of this law because of the effect of illicit liquor dispensation upon the public health. During the term which has just closed, this court has had in the neighborhood of 100 cases of sales in which were produced from each case exhibits of the commodity which passed over the bars of so-called soft drink places in Toledo as whisky. In but one instance out of this many cases has genuine whisky been obtained. In each of all the others, the liquid was imitation whiskey manufactured from alcohol with a coloring matter, or newly made with all the extremely poisonous ingredients and specially injurious characteristics which it is understood that the process of aging whisky removes. The consumption of this stuff is extremely deleterious to the public health, and to suppress this traffic should be the determination of the public and its officers. The Government has also discovered that considerable business has sprung up in the trafficking in so-called whisky bearing forged labels and Government stamps which are made to represent the liquid to be of well-known brands, while in fact it is of the vilest character. These considerations emphasize the demand that the law be enforced with determination.

I am glad to say that this grand jury will not have before it so large a proportion of small cases as hitherto have come up for indictment. It has been found possible to present by information to the court all liquor cases which involve a penalty of not more than one year's imprisonment or a fine, thus saving much expense to the Government and resulting in more expeditious disposition of offenses. This will leave the grand jury time to do what is most important in the enforcement of any law, namely, to give attention to the larger offenses.

## LARGE OFFENDERS SHOULD BE PROSECUTED.

The conviction of one highly placed and influential offender against any law is much more to be desired and brings about a better respect for the law itself than a gathering in of many less prominent and less extensive violators. This court has been crowded with many small cases; the privilege has come but a few times to convict notorious and much talked of offenders. It is very probable that there are some persons of political, social, and perhaps other high influence in this community who are habitually violating these laws with large profit to themselves. It is sincerely hoped that this grand jury will use to the limit its very great power to command the resources of the Government at its disposal to bring such persons to the bar of this court. Any law soon loses respect and efficiency if large offenders are allowed to escape and less influential and less pronounced violators prosecuted, and when once there becomes a settled public conviction that any criminal act fails in enforcement crime at large is greatly encouraged.

In this connection, but not by way of setting a limit to your investigations, we suggest subjects for initial action from reports of alleged offenses which have informally come to the attention of the court.

## WHAT IS IMPROPER USE OF THE MAILS.

Section 215, Criminal Code, just mentioned, is in substance to the effect that whoever, having devised a scheme to defraud, uses or causes to be used the mails of the United States in any way to assist in the consummation of that fraud, is guilty of an offense against the United States. Two ultimate questions of fact are necessary to be found, as probably present in such a case, before the grand jury should return a bill of indictment. The first is a scheme to defraud. This may be of any nature which is fraudulent in its purpose. You will please understand, however, that the fraud which must be present is not necessarily what is known as fraud in law; that is, some conduct which is in violation of some specific statute or law. If the enterprise alleged to be fraudulent is one which shocks the sense of right and wrong because seen to be with purpose to defraud the object, it is sufficiently within the reprobation of this statute whether it be specifically defined as illegal or not. The alleged fraudulent purpose need not have been one which had even a promise of success; it may have been foolish in its conception, or in plans for its execution and yet be within the law. You are instructed further that the fraudulent purpose need not be shown to have been one directed definitely against any specific person, nor one shown in the evidence to be even specifically and definitely devised. It is sufficient for the purposes of this statute if the fraudulent purpose, alleged to be entertained by the subject under consideration, is general in its nature and held against any indefinite person who may possibly come within its operation; then the law in question applies. Going now to the other element of the crime, the use of the mails, you are instructed that the use of the mails is not necessarily such use as that which would be in itself objectionable to the Government. The letter or other attempt to use the mails may be, standing by itself, purely unobjectionable, carrying with it and in its terms no suggestion of fraudulent or improper purpose, yet if it is seen in the testimony to be so related to the fraudulent purpose that it appears to have been made with an intention to effect the fraudulent purpose in any degree, such use is within the prohibition of the statute. You will also further observe in this connection that it is not the effective and successful use of the mails which only is reprehended by the statute. If the use of the mails itself comes to nothing, does nothing to promote the fraudulent scheme, or if merely an attempt to use the mails has been made, or if the fraudulent scheme itself fails, if either or both of the failures exist, nevertheless the transaction is within the law, provided the evidence tends to show a probability of the presence of both of these elements, in proper relation to each other, even with their feeble results. It is not the success or good sense of the alleged fraudulent scheme or the effectiveness of the use of the mails which counts. It is the presence of the fraudulent scheme and an attempted use of the mails to help such a scheme which combined make up the offense to which the statute attaches.

## THE LAW OF CONSPIRACY.

This grand jury will have further consideration of the robbery committed in February at the city post office, and I am informed that you will have before you a charge of conspiracy in that connection.



For this reason, and because of previous suggestions by the court, you should understand how to apply the law of conspiracy. The Federal statute provides that when two or more persons agree to violate a law of the United States and, while that agreement is in existence, to further the same act is done by one of the conspirators, an offense against the United States has been committed. Simply entering into an unlawful agreement is not an offense, but the agreement with some step taken to work it out constitutes the offense. The necessary step is called the overt act. It may be but a slight matter and not be anything that succeeds in helping the conspiracy, but if it is something which is of a tendency to help the conspiracy, the case is complete. It is very desirable, respecting the matters directed to your attention in this charge, that you should note that it is not necessary, to give this court jurisdiction, that a conspiracy should be shown to have been entered upon within this district. If an agreement to violate the law has been formed beyond the territorial jurisdiction of this court, yet something, however ineffective, has been done within the district by one or more of the conspirators to help that agreement, the case can be prosecuted here and you can command the evidence from witnesses beyond the confines of the district. The existence of a conspiracy is provable by evidence showing a concert of action, a relation between the suspected purpose and transactions by one or more of the parties, which, compared with all the circumstances in the case, show that the parties moved with a common end in view. It follows that the so-called overt act, necessary to be established in order to make the offense complete, and to give the court jurisdiction, may not only serve for that purpose but may be one of the circumstances taken as tending to prove the existence of the conspiracy itself.

In any case in which a law of the United States has been violated by two or more persons acting in concert, the facts which establish violation itself, if they show action in concert by the principals, may be resorted to for a charge of conspiracy to violate the law, and all persons who consciously and willfully act to aid and abet or assist the principal actors in the transaction, either before or after the event, but still while something is to be done to bring the enterprise to an end, may be joined with the principal actors as co-conspirators, for anyone who consciously associates himself with the conspirators at any stage of the transaction, before it is concluded, even though he may not be in at the beginning nor stay to the finish, may be included in the charge. When once it is clear that a concert of action indicating mutual agreement is established, the act of every co-conspirator, even in the absence of his fellows, which tends to promote the object of the conspiracy, becomes the act of every other co-conspirator chargeable against him.

#### OTHER CRIMES SHOWN IN LIQUOR INVESTIGATIONS.

We have dwelt most largely in this charge on the national prohibition act because there is a peculiar interrelation of crime, and a thorough investigation of any particular case may open up leads which develop offenses of an entirely different nature. It is the experience in Federal courts that prosecutions for one class of offenses often develop and assist prosecutions of an altogether different class. This tendency is peculiarly noticeable in this court since the enforcement of this new law has been undertaken. The illegal traffic in narcotics is closely related to that in intoxicating liquor. Also the enormous profits possible in each unlawful business attract criminals whose specialties are in another line. The traffic in morphine, cocaine, heroin, and other narcotics has been a marked feature of crime in this district, largely due to the fact that Toledo is an important railroad center, situated near to the Canadian border. The jury will find that if it sets itself diligently at work in the enforcement of the prohibition act it will be of very great assistance in the limitation of the traffic in narcotics and that there will also come revelations, profitable in prosecutions, of violation of other laws. Leaving out altogether consideration of moral questions, it is the conclusion of Federal experience that the most practical way to attack crime in general is to enforce the liquor laws. If there is a real desire and intention on the part of good citizens of any shade of thought respecting sumptuary laws to restrain and reduce whatever abnormality of crime there may be in Toledo as the metropolis of this Federal division, the key which unlocks the doors of vice and crime most practically and efficiently, productive of the most comprehensive results, is this law. The records of this court prove these assertions.

#### CONSPIRACY IN LIQUOR VIOLATIONS.

The Federal conspiracy act is a powerful weapon to depress interest in the business of crime. The attention of this grand jury is specially directed to it in connection with liquor violations. When two or more persons, either as partners, or proprietor and barkeeper, or silent owner and a supposititious proprietor, or even as landlord and tenant, act together in the illegal dispensation of intoxicating liquor, generally the elements of conspiracy exist and prosecutions therefor may be had. Instances have been disclosed wherein persons have established drinking places and then have hired others to pose as owners, paying large wages that the latter may carry the burden of possible prosecutions. In such cases the parties might well be prosecuted for conspiracy, that the cowardly secret owner might receive a proper punishment. We have also noted circumstances in which it has seemed practicable to include landlords in a conspiracy charge. A few penitentiary sentences would inculcate a wholesome respect for this law, observance of which is as much the duty of a respectable and law-abiding citizen as any other, while the opportunity to fine up to \$10,000 gives the chance to require some of the illegal gains to be given to the Government in lieu of taxes of which it has been defrauded. This law applies equally to negotiations for purchase of liquor for home consumption. The purchaser and seller may be jointly indicted for conspiracy.

#### PROSECUTIONS FOR PERJURY.

The crime of perjury is very prevalent. It should be discouraged by prosecutions. We propose to scrutinize testimony in open court during this term with a view of advising you of facts. You, through diligent attention to testimony before you, may also find occasion to indict for this crime committed in your presence.

#### WITHHOLDING EVIDENCE.

Your attention is also directed to section 146 of the Criminal Code. By its provisions one who has, but withholds, important evidence concerning an offender against the United States may be prosecuted for misprision of felony. The statute makes it the duty, under a heavy penalty, for any citizen, knowing of the commission of a Federal felony, to forthwith communicate his knowledge to some Government officer.

The members of this grand jury, other than the foreman, will please observe that while the oath they have taken was general in its character, yet its terms obligate you to the same duty of secrecy which was made a special element of the oath of the foreman, for you have

promised to observe the same oath the foreman has taken. This obligation of secrecy is no idle one. You are admonished, therefore, to refrain from making the proceedings in the grand jury, either as to testimony or the identity of witnesses or the subjects under consideration, a matter of discussion and gossip outside of the grand jury councils. Much mischief in the administration of the law will be avoided if grand jurors strictly observe this injunction.

We feel sure that if this grand jury takes its work seriously, comprehending what its independent powers are, and using them, its members will find their labors very profitable personally and the work of absorbing interest. You will also find compensation for the sacrifices which some of you may be compelled to make of your personal interests in the fact that you will have contributed greatly toward the moral well-being of the community.

Mr. FULMER. Mr. Speaker and gentlemen of the House, I realize that the bill before us, known as the ship subsidy bill, deals with a very large question, which I sum up in a few words:

Shall this great Government continue to lend a hand to the monopolistic interests of the country?

Shall a party's political debts be paid by cunningly devised taxes on the masses of the people as bonuses to professional classes?

Shall we grant monopolies to business manipulators, whose policy is to squeeze the public, and then write into the law of the land an official invitation to them to walk up to the Nation's Treasury and have handed to them complimentary pay envelopes inscribed with Secretary Mellon's Christmas greetings: "Gentlemen, our people thank you for your kind services. There is more like this. Come again."

After listening to the speeches of men like Mr. DAVIS, of Tennessee, Mr. BANKHEAD, of Alabama, Judge HARDY, of Texas, and others who have served on the committee, and who have had a chance to attend the hearings upon the Treasury-looting scheme, I am unable to discover one legitimate reason for voting in favor of it.

Instead I see in it a contemplated Treasury raid, an official Thanksgiving Day dinner, a Christmas feast, a New Year's revel, an Easter offering, a Fourth of July spread for the gourmands of big business, and a dangerous encroachment upon sound and healthy lawmaking.

I have never encountered what appears to be a more studied and brazen attempt deliberately to squander the people's trust fund, sacred though it should be in the hands of their trusted and unbonded administrators, by donating millions of dollars from it for the enrichment of a favored, noncompetitive class.

Surely, gentlemen, you are not unmindful of the scandalous remarks and charges and rumors clouding the atmosphere. Why is it that every man is not credited with considering and voting upon this measure upon its merits? Why are there rumors of wholesale trading of votes for administration jobs? Why is it said that Mr. Lasker, now the head of the Shipping Board, is to head a gigantic corporation to rake in scientifically the luscious bonuses and velvety subsidies that await the inner circle should this measure become a law? Listen to this from the Washington Daily News of November 28:

The Old Guard in Congress is willing to trade everything it can lay hands on for votes for the administration ship subsidy bill.

Most of the hundred or more Republican lame ducks in the House and Senate are being given to understand that none of them will be taken care of with Federal appointments until after the vote is taken on the subsidy.

The Old Guard is using this as a powerful club to line up votes for the subsidy. And a substantial majority of the lame ducks prefer to stay on the Government pay roll after their present terms expire rather than go to work in private life.

Three other inducements are being used:

1. A proposition to deepen the Mississippi River and make it navigable for ocean-going vessels as far up as St. Louis.
2. The St. Lawrence ship canal project.
3. A promise of relief and benefits for farmers.

"Of course," declares Representative FREAR, of Wisconsin, a leader in the Republican opposition to the subsidy, "nobody expects this Congress to do anything tangible either in the matter of deepening the Mississippi or in the St. Lawrence ship canal project, but they could be used by some Members as an excuse to their constituents for voting for the subsidy."

At least one important White House conference lately is known to have been given over largely to a discussion by the President and his callers of what should be done to care for those Members who went down in the recent elections. A substantial number of defeated Members of both House and Senate are to be taken care of.

Now, listen:

But there will be no distribution of plums—at least to House lame ducks—until after to-morrow. That is the date set for a vote on the subsidy bill.

What an indictment! Jobs for votes! Votes for jobs! If you want a job just wait and let's see how you vote for the Harding-Lasker helping hand bill.

As for me, I prefer to believe that conscience will be your guide.

And hear Samuel Gompers voice the position of the American Federation of Labor in his letter to each of us this morning:

It is without doubt one of the most brazen Treasury-looting schemes ever devised. And scoundrelly measures, like scoundrelly men, take refuge in patriotism when no other offers. The bill is urged on grounds of patriotism. It is difficult to think of anything more unfitting. This



bill will not give America a merchant marine. Labor joins with all others who want a well-manned, adequate merchant marine. But it denounces this bill as a fraud, a robbery, and wholly indefensible.

After experiencing the operation of the Esch-Cummins bill, giving to the railroads of the United States a subsidy, which, next to the deflation policy of the Federal Reserve Board, has done more to paralyze agriculture and stifle legitimate business than any other piece of legislation passed by Congress in recent years, we should certainly be on our guard against this companion measure.

Then, if I had no other reason, I could not support this measure when I find it supported by the United States Chamber of Commerce, one of the biggest lobbies in the interest of big business, J. P. Morgan & Co., and other powerful Wall Street individuals and groups, who by their efforts in trying to control legislation are exerting a most potent influence in bringing about extreme radicalism and even bolshevism in this country. This chamber, heavily financed by its backers, hangs about Washington for the purpose of superintending the enactment of legislation and putting over schemes which I can never approve, inasmuch as I regard them as absolutely detrimental to the best interests of the country.

For example, the United States Chamber of Commerce advocates a sales tax, as does Mr. William Randolph Hearst and other people of great wealth, expecting eventually to substitute such a tax for taxes on incomes and excess profits. If they can have their way, they will transfer the tax burdens to those who are least able to pay them—to those who have little means and small earnings and who already feel the pressure of conditions from which they can not escape. Thousands of small property owners in my section of the country, and I take it that the same applies to other sections, are now unable to meet their tax bills, and all that many of them possess is being sacrificed under forced sales.

We do not have to look far for the causes of the pitiful conditions existing in some of the agricultural sections and the bank failures and the bankruptcies in legitimate business and the suicides. We see it in the failure of the Congress broadly to vision the whole people and enact helpful legislation instead of allowing moneyed interests to lobby around Washington and write or dictate the writing of practically all important measures.

A few large manufacturing interests succeeded in putting over the Fordney tariff bill, which will benefit a few and take millions of dollars from the consumer and the producer. I have no doubt that Mr. Hearst and his associates, with the assistance of the United States Chamber of Commerce, will at some early date write a sales-tax measure and endeavor to ram it down the throats of a majority of the Members of Congress by their subtle propaganda and expert newspaper publicity—the kind that will be very convincing to those who have no chance to study these great questions.

I believe, with Mr. DAVIS of Tennessee, that if we had a real business man who knows something about the business of shipping instead of Mr. Lasker, who admitted at the time of his appointment that he knew nothing about that business—and whose policy will soon get the shipping business in such a condition that nobody can save it, and then it will be handed to the money sharks for a song—it would to-day be operating successfully. Apparently his employment of superlawyers at salaries running up to \$35,000 has not brought about commensurate good.

This bill gives to a board, made independent of Congress and the President and the courts, absolute power to loan, at interest as low as 2 per cent per year, out of a revolving fund of \$125,000,000, two-thirds of the cost and equipment of vessels built in private shipyards, with subsidies as also provided. This seems to be in line with the apparent privileges enjoyed by the railroads under the Esch-Cummins bill.

To a large extent the Interstate Commerce Commission takes dictation from the railroad owners in fixing rates and approving tariffs. For instance, the agent of the Southern Railway at Richmond issued tariff No. 2, Interstate Commerce Commission No. 358, to take effect October 15, 1921, Eastbound Carolina class and commodity tariff from local points in Georgia, North and South Carolina and Virginia to Eastern States and interior eastern points, forbidding the shippers of hogs to ship in double-decked cars.

What did it mean? These people from Southern States, suffering from the deflation of 1920, with cotton crops destroyed by the boll weevil, tried to get back to a living basis by raising cattle and hogs. The rate from Springfield, S. C., to Richmond, Va., on two single cars was \$157 as against \$92 for a double-decked car carrying the same number of hogs.

So the railroad, not satisfied with their 6 per cent guaranteed profit, attempted further to penalize these shippers by compelling them to pay \$157 for a shipment that could have

been made for an announced rate of \$92. There was subsidy with a vengeance. I took up the matter with the commission and they agreed that the tariff looked bad and it was accordingly canceled. But see what an opportunity there was for "mopping up" as long as this special tariff (and I suppose there are many similar instances) was in effect.

Cargoes and not ships, freights and not subsidies, are the present need. The war left us with more ships than we can use and freighters by the score are rusting in our great harbors. The farming interests of the West and the cotton-growing South and the manufacturing East are not held back from the markets of the world by lack of American ships, but by import duties imposed upon the American people by the Fordney Tariff Act, which throttles export trade, and subsidies, which mean heavier taxation, only add to their burdens and produce greater revolt. Our country is to-day stifling with its own goods and the outside world is hungering and thirsting for them. Many of the foreign countries are without money to buy, but if they were allowed to export their goods in exchange for ours we would soon see a different complexion in business, both in this country and in Europe.

For this subsidy fund the Secretary of the Treasury is required to devote all tonnage duties, 10 per cent of all customs duties, the equivalent of all mail subsidies, and half of excess earnings above 10 per cent, if any, of subsidized vessels, all of this permanently appropriated without further control by the Congress. This subsidy fund is estimated at from \$30,000,000 to \$50,000,000 per year, to be paid out of the pockets of the people.

This bill confers upon Chairman Lasker—who when examined by the committee stated that he had "only been a regular advertising expert," not a shipping expert—and his associates, without the requirement of having to submit reports, autocratic powers which invade the province and transfer the authority of the President, the Secretaries of State, Treasury, War, Navy, Labor, Commerce, the Postmaster General, and the Commissioner of Internal Revenue, as well as of Congress, and which admittedly involve a tax burden of \$52,000,000, which may indirectly reach \$100,000,000.

I have heard of no real demand coming from the people or from either party for a special call of Congress to pass this bill. On the other hand, this bill was advocated by the President before the last Congress, but was delayed by the Members in order to feel the popular pulse. To my mind the passage of the Fordney tariff bill, the veto of the veterans' bonus bill, and the belief that the Republican administration would ram this indefensible ship subsidy measure through Congress was the cause of the defeat of nearly 100 Members of the Republican persuasion three weeks ago.

I agree with my good friend, Mr. TINCER, of Kansas, and with Mr. GAHN, of Ohio, that the passage of this bill will spell the winding up of the Republican Party in 1924, because the people are at last giving signs of rebelling against legislation in the interest of a few.

I know that there are thousands of parasites, middlemen, between the producer and the consumer, but I do not hear of any administration measures to weed these out and protect these helpless people. I know that our marketing system is wrong and that the farmer has much produce to sell, but in some instances he can not give it away, and in the meantime the consumer is paying inflated prices. Credits are tight, interest rates are high. Of course, much good has been done by the Federal reserve bank and the War Finance Corporation, but on account of red tape, and the great masses not being able to come in direct contact with these splendid institutions, thousands and thousands of persons who need assistance never get it.

The Federal reserve banks loan only to member banks, the present rates being from 4 to 4½ per cent. The farmer is borrowing from banks as usual, if he can borrow at all, paying from 8 to 10 per cent, besides revenue stamps, recording fees, and attorney's fees for writing chattel and real estate mortgages, which are drawn so that if payment is not made at maturity the attorney can charge 10 per cent for collecting.

Who that votes for the ship subsidy bill, carrying loans of \$125,000,000 at 2 per cent, is game enough to vote for a sufficient loan fund for the farmer at 2 per cent, whereby he can be helped to pay his losses, and agriculture can be put back on a paying basis?

How many supporters of this Lasker bill will vote to have the Government furnish the cotton and grain farmers with nitrate of soda at cost prices, and thereby check the highway robbery on the part of Grace & Co. and several other importers of soda who bought the Government soda last year at from \$30 to \$35 per ton and, inasmuch as they controlled the imports, put the price to the farmer at from \$65 to \$75?



I challenge the older Members of the House who have been here for years to work out some legislation along these lines. If this is done, watch the United States Chamber of Commerce and the Fertilizer Trust, which beat Henry Ford out of Muscle Shoals, come rushing with propaganda to defeat it.

I have just had some correspondence with Secretary Wallace, of the Department of Agriculture, relative to his approval of an appropriation of \$200,000 for extending the market news service of the department by telegraph to the States of Virginia, North and South Carolina, Alabama, Georgia, Louisiana, Florida, Tennessee, Texas, and Mississippi. This service would furnish to interested persons in those States daily telegraphic information on prices and conditions in the larger markets and principal producing sections of the United States. This service was rendered during the war, but on account of insufficient funds it was discontinued in June, 1919. Secretary Wallace says:

While the department feels that the expansion of this leased-wire market news service would accomplish a great deal in facilitating efficient marketing by making available to all concerned a better knowledge of daily supplies and prevailing prices, we must keep in mind the present necessity for retrenchment in governmental expenditures.

This service would cost only \$200,000 to post daily the people who produce cotton and foodstuffs as to supplies and prices, yet this is considered too heavy a drain upon the Treasury. This is how the small shipping and producing people of these States "get it in the neck," but there are some who consider it absolutely all right to pay out of the Treasury of the United States from \$50,000,000 to \$100,000,000 a year to a favored few in the nature of a subsidy.

It is not, I say, by such legislation as the powerful interests demand that relief will be afforded to the mass or that they will be protected against further exactions, but by really constructive legislation in the interest of the entire public which it is incumbent upon Congress to enact.

Let us determine that there shall be no more such legislation as the railroad bill, which is directly to the advantage of the railroad owners and to the disadvantage of everybody else; or the tariff bill, which is to the interest of a few, comparatively, and to the disadvantage of everybody else; or the present bill, which is likewise to the interest of a few, comparatively, and to the disadvantage of nearly everybody else, including those great classes that produce the necessities of life and that labor in the various occupations that are essential to the progress and upbuilding of the country.

By unanimous consent leave to extend remarks in the RECORD was granted—

To Mr. KINDRED.

To Mr. JONES of Texas.

To Mr. KLINE of Pennsylvania.

To Mr. MICHENER.

To Mr. MONDELL.

To Mr. BANKHEAD.

Mr. BANKHEAD. Mr. Speaker, on yesterday the following colloquy took place in the Committee of the Whole:

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to proceed out of order for five minutes in order to correct what I think is a rather grave injustice done to one of the witnesses who testified before the committee.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. SNYDER. I object.

Mr. MONDELL. Mr. Chairman, I regret, but I have objected all day to discussions out of order, and I feel that I must do so now.

The CHAIRMAN. Objection is heard.

Mr. BANKHEAD. I want to be recognized on my motion, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. BANKHEAD. Mr. Chairman, I shall not undertake to do by indirection what I can not obtain leave to do directly. I hope the gentleman will withdraw the objection. I am not going to raise any controversial issue, but I would like an opportunity to correct a statement with reference to the attitude of Mr. Edgar Wallace, who appeared before the committee as a representative of the American Federation of Labor. I do not say that his position has been willfully misrepresented, but it has been incorrectly represented in this debate, and in justice to him and his organization I ask this privilege.

Mr. GREENE of Massachusetts. I was the only person who made reference to him.

Mr. BANKHEAD. It is with reference to the statement of the gentleman from Massachusetts in the debate that I ask this privilege.

Mr. GREENE of Massachusetts. I declined to allow it because I simply spoke from memory. I am willing to have read into the RECORD what he said.

Mr. BANKHEAD. That is all I want to do.

Mr. GREENE of Massachusetts. There is no objection to that.

Mr. BANKHEAD. Then I ask unanimous consent to extend my remarks in the RECORD by reading into the RECORD the question of the gentleman from Massachusetts and the reply of Mr. Wallace.

Mr. GREENE of Massachusetts. The gentleman asked what he said. I stated what he said, intending to state what was true. If I made any misstatement of it—I do not think I did—it was made inadvertently. I have no objection to any correction of that statement, but I do not want the RECORD to be cluttered up with a lot of immaterial matter.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein the question asked by the gentleman from Massachusetts of the witness, Edgar Wallace, in the committee as to his attitude on this question and his reply thereto—only about 10 lines.

The CHAIRMAN. Is there objection?

There was no objection.

The following are the questions asked Mr. Edgar Wallace by the chairman of the committee [Mr. GREENE of Massachusetts], and the answers thereto, taken from the official report of the hearings:

Mr. GREENE. Then you would prefer to ship in foreign ships because they will take it cheaper than we will?

Mr. WALLACE. I mean to say this: We can never hope to do as much export and import business as some country that depends entirely for its living on shipping out stuff in bulk and bringing back stuff in bulk that she needs. We don't need much that would make bulk freight come into this country. I believe there is the great reason why we can't make a merchant marine pay—because that which we import generally comes into this country in small quantities, mostly luxuries. That does not come in bulk, while our exports are in bulk, or could be in bulk.

Mr. GREENE. But we did control the merchant marine a number of years ago. We had a great deal of it.

Mr. WALLACE. We traded—

Mr. GREENE (interposing). And we were then a small country. Now we are a great country with great resources, and we don't take a back seat to any other nation on anything else, but you want us to give up the sea, which is free to everybody. You want us to give up the sea and allow some other nation to possess the sea while we sit back and let them take it.

Mr. WALLACE. I have said that I believe this country could compete successfully upon the sea, in building vessels and in managing vessels.

Mr. GREENE. Our vessels have gone down, have gone out of sight. We haven't carried more than 8 per cent of our product.

Mr. WALLACE. We have carried just as much as there is a demand for, and that is all we could do if we had a private merchant marine.

Mr. GREENE. We will try to create a demand and then we will do something. That is what we are trying to do. We may make a mistake, but we will try it, whether we succeed or not. I am something of a Yankee myself, and if anybody beats me I try to beat them. Go ahead. You are not obliged to give up because for a number of years we haven't succeeded. We are stronger than we ever were. We have a merchant marine. What are we going to do with it? Put it in use.

Mr. WALLACE. But don't give it away and then pay people to run it. That is what we object to.

It will be seen, therefore, that the chairman of the committee was grossly inaccurate when he charged that Edgar Wallace had testified that "he would prefer to have American goods carried in British bottoms than American bottoms." Mr. Wallace made no such statement, nor anything else that could be distorted into such a conclusion. He was the official representative of the American Federation of Labor before the committee, and the charge made against him was a grave injustice to Mr. Wallace and the organization which he appeared for. I make these observations and incorporate the facts in the interest of truth and justice.

By unanimous consent, leave to extend remarks in the RECORD was granted—

To Mr. RAINEY of Illinois.

To Mr. VOLK.

ADJOURNMENT UNTIL FRIDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, may I ask the gentleman if it is contemplated that any business of consequence will be transacted on Friday?

Mr. MONDELL. It is not. It is not expected that any business will be taken up on Friday. At that meeting, however, we should consider the question as to a further adjournment and as to whether we should adjourn to an hour before the meeting of the regular session on Monday.

Mr. GARRETT of Tennessee. Is it also safe to assume that there will be no business of consequence transacted on Saturday and probably no meeting of the House on Saturday?

Mr. MONDELL. My present thought is that on Friday we will adjourn until Monday, and possibly until Monday at 11.30 o'clock, if that is agreeable to gentlemen on the other side.

Mr. GARRETT of Tennessee. If for any reason it should develop—and I do not assume that it will—that there is to be a meeting on Saturday, it will be safe to assume that no important business will be transacted on that day?

Mr. MONDELL. It is entirely safe to assume that. I hope there will be no meeting on Saturday.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO WITHDRAW PAPERS.

By unanimous consent leave was granted, at the request of Mr. McCLINTIC, to withdraw from the files of the House without leaving copies the papers in the case of Mollie C. Fikes (H. R. 7279, 67th Cong., omnibus H. R. 7847) no adverse report having been made thereon.

## ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 3 o'clock and 24 minutes p. m.) the House, under the order previously agreed to, adjourned until Friday, December 1, 1922, at 12 o'clock noon.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LANGLEY: Committee on Public Buildings and Grounds. H. R. 12174. A bill to authorize the Attorney General to convey certain land of the United States to Fulton County, Ga., to widen McDonough Road in front of the United States penitentiary; without amendment (Rept. No. 1261). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. VOLSTEAD: Committee on the Judiciary. S. 4025. An act to permit Mahlon Pitney, an associate justice of the Supreme Court of the United States, to retire; without amendment (Rept. No. 1262). Referred to the Committee of the Whole House.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FREAR: A bill (H. R. 13091) to control monopolies; to the Committee on the Judiciary.

By Mr. ANDREWS of Nebraska: A bill (H. R. 13092) providing for the extension and enlargement of the post-office and court building at Hastings, Nebr.; to the Committee on Public Buildings and Grounds.

By Mr. McSWAIN: A bill (H. R. 13093) to enlarge and extend the post-office building at Greenville, S. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13094) to enlarge and extend the post-office building at Spartanburg, S. C.; to the Committee on Public Buildings and Grounds.

By Mr. MacLAFFERTY: A bill (H. R. 13095) to provide for the erection of a public building at Oakland, Alameda County, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. SABATH: Joint resolution (H. J. Res. 399) supplementing the trading with the enemy act; to the Committee on Interstate and Foreign Commerce.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHREVE: A bill (H. R. 13096) for the relief of Lorenzo E. Leonard; to the Committee on Military Affairs.

By Mr. DARROW: A bill (H. R. 13097) for the relief of Frank Reed Horton; to the Committee on Naval Affairs.

By Mr. FAUST: A bill (H. R. 13098) granting a pension to Catherine Hogan; to the Committee on Invalid Pensions.

By Mr. FREEMAN: A bill (H. R. 13099) granting a pension to Nathan E. Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13100) granting a pension to Eugene S. Nash; to the Committee on Invalid Pensions.

By Mr. LUCE: A bill (H. R. 13101) granting a pension to Thomas Casey; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 13102) granting a pension to Joseph H. Bugman; to the Committee on Pensions.

Also, a bill (H. R. 13103) for the relief of John Heinzenberger; to the Committee on Military Affairs.

By Mr. REED of New York: A bill (H. R. 13104) for the relief of Orrin F. Strickland; to the Committee on Military Affairs.

By Mr. ROBSION: A bill (H. R. 13105) granting an increase of pension to William S. Whitley; to the Committee on Pensions.

By Mr. SLEMP: A bill (H. R. 13106) granting a pension to Malissa A. Bostwick; to the Committee on Pensions.

By Mr. STEPHENS: A bill (H. R. 13107) granting a pension to William Coleman; to the Committee on Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 13108) for the relief of Russell H. Lindsay; to the Committee on Naval Affairs.

By Mr. TOWNER: A bill (H. R. 13109) granting a pension to Jessie Johnson; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6483. By the SPEAKER (by request): Petition of Peabody Museum of Harvard University, Cambridge, Mass., protesting against the passage of Senate bill 3855; to the Committee on Indian Affairs.

6484. By Mr. BURTNESS: Petition of Bankers' Association of Griggs County, N. Dak., favoring a Government price on wheat; to the Committee on Agriculture.

6485. By Mr. CULLEN: Petition of sundry citizens of New York, opposing compulsory Sunday observance laws; to the Committee on the District of Columbia.

6486. Also, petitions of a mass meeting of citizens of New York City, regarding the imprisonment of Miss Mary MacSwiney and the execution of Erskine Childers; to the Committee on Foreign Affairs.

6487. By Mr. EDMONDS: Petition of Philadelphia Board of Trade, favoring the passage of Senate bill 3217; to the Committee on the Merchant Marine and Fisheries.

6488. By Mr. KINDRED: Petition of Samuel Gompers, president of the American Federation of Labor, of Washington, D. C., relative to the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6489. By Mr. KISSEL: Petition of Henslee Sinking Ship Saver, Washington, D. C., urging an amendment to the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6490. By Mr. PERKINS: Petition of William A. Voelkel and others, of Westwood, N. J., favoring House Resolution 95; to the Committee on Rules.

6491. By Mr. ROACH (by request): Petition of the citizens of Morgan County, Mo., asking Congress to consider the advisability of granting a Federal pension to all star mail-route carriers of the United States after they have reached the age of 65 years; to the Committee on the Post Office and Post Roads.

6492. By Mr. SMITH of Michigan: Petition of Miss Elizabeth Wylie, industrial secretary Young Women's Christian Association, Battle Creek, Mich., urging further action on the part of our Government be taken in order that the freedom of Armenia and the liberation of the Greeks from the rule of the Turks may be secured at an early date; to the Committee on Foreign Affairs.

6493. Also, resolutions adopted at the Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of House bill 9753, the Sunday law; to the Committee on the District of Columbia.

6494. Also, petition of Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of House Joint Resolution 131, proposing a constitutional amendment prohibiting polygamy in the United States; to the Committee on the Judiciary.

6495. Also, petition of Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of House Joint Resolution 159, proposing a constitutional amendment to prohibit sectarian appropriations; to the Committee on the Judiciary.

6496. Also, petition of Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of Senate Joint Resolution 31, proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

## SENATE.

FRIDAY, December 1, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, with the beginning of another month we desire to recognize the hand that has been blessing us. And we do ask this morning that with the consciousness of Thy presence we may be able to fulfill the task given to us. So guide the interests of our land, bless those in authority, remembering the President at this time and all others upon whom rest the functions of government, and glorify Thyself through us. For Christ Jesus' sake. Amen.

The Vice President being absent, the President pro tempore took the chair.

PETER NORBECK, a Senator from the State of South Dakota, and JOSEPH T. ROBINSON, a Senator from the State of Arkansas, appeared in their seats to-day.



## THE JOURNAL.

Mr. HARRISON. Mr. President, a parliamentary inquiry. The PRESIDENT pro tempore. The Senator from Mississippi will state the inquiry.

Mr. HARRISON. The Journal of the proceedings of Tuesday last not having been approved, is the approval of the Journal of the proceedings of Wednesday last the first order of business, and when that is finished is the unfinished business the approval of the Journal of Tuesday's proceedings, which was not approved day before yesterday, and does it then come up for consideration?

The PRESIDENT pro tempore. The question propounded by the Senator from Mississippi is a difficult one. The Chair is inclined to believe that we begin the proceedings this morning with the regular morning business.

Mr. UNDERWOOD. Mr. President, I think clearly the first business in order this morning is to approve the Journal of the last legislative day, and when that has been approved we then take up the approval of the Journal of the proceedings of Tuesday last, which has not yet been approved.

Mr. CURTIS. Mr. President—

The PRESIDENT pro tempore. The Chair will be glad to hear suggestions upon the point.

Mr. CURTIS. I think the Senator from Alabama is correct, and I was about to ask unanimous consent that the Journal of the proceedings of Wednesday last be approved.

Mr. UNDERWOOD. We can not give unanimous consent yet. I hope the time will come soon when my good friend from Kansas and I can reach an entirely harmonious agreement along all lines, but until we arrive at that point I do not think we can reach an agreement at all. I shall not ask for a quorum now, and I do not object to the Secretary reading the Journal of the proceedings of Wednesday last. We have some amendments which we desire to offer and to discuss for a while.

Mr. CURTIS. Tuesday's Journal had been read, and it was being considered for amendments when the Senate adjourned on Wednesday evening.

Mr. UNDERWOOD. I refer to the Journal of the last legislative day, Wednesday, the new Journal; that is in order at this time.

The PRESIDENT pro tempore. The question pending when the Senate adjourned on Wednesday evening was in regard to the approval of the Journal of the preceding day. That question is the unfinished business by virtue of its pendency at the time of adjournment. Under the rules of the Senate the unfinished business does not come before the Senate until 2 o'clock. The Chair, as at present advised, is unable to see how the Senate can take up at this time the motion that was pending at the adjournment on Wednesday.

Mr. UNDERWOOD. I understand that. I am raising no question about that. I agree with the Chair that the Journal which we were discussing on the last legislative day has become the unfinished business, and I have no objection to the reading of the Journal which is ordinarily offered at this stage of the proceedings, and which would be the Journal of Wednesday last. We have some amendments to offer to the Journal of Wednesday's proceedings when it has been read.

The PRESIDENT pro tempore. The Chair is of the opinion at the present time, although it is an entirely new question to the Chair, that the first business this morning is the reading of the Journal of the proceedings of the last legislative session.

Mr. UNDERWOOD. We agree with the Chair about that, and there is no objection to that course. When the Journal has been read we want an opportunity to offer some amendments to it.

The PRESIDENT pro tempore. The Secretary will read the Journal of Wednesday last.

The reading clerk read the Journal of Wednesday's proceedings.

The PRESIDENT pro tempore. The question is, Shall the Journal as read be approved?

Mr. HARRISON. Mr. President, I notice that the Journal states:

The Secretary proceeded to read the Journal of the proceedings of yesterday.

It is apparent that that is a mistake.

The PRESIDENT pro tempore. The Senator from Mississippi will suspend while the Senate receives a message from the House of Representatives.

MESSAGE FROM THE HOUSE—DEATH OF REPRESENTATIVE JAMES R. MANN.

Mr. Overhue, enrolling clerk of the House of Representatives, appeared and said:

Mr. President, I am directed by the House of Representatives to transmit to the Senate the following resolutions (H. Res. 455):

*Resolved*, That the House has heard with profound sorrow of the death of Hon. JAMES R. MANN, a Representative from the State of Illinois.

*Resolved*, That a committee of the House be appointed to take order for superintending the funeral of Mr. MANN in the House of Representatives at 2 o'clock p. m. on Saturday, December 2, 1922, and that the House of Representatives attend the same.

*Resolved*, That as a further mark of respect the remains of Mr. MANN be removed from Washington to Chicago, Ill., in charge of the Sergeant at Arms, attended by the committee, who shall have full power to carry these resolutions into effect, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk of the House communicate these proceedings to the Senate and invite the Vice President and the Senate to attend the funeral in the House of Representatives and to appoint a committee to act with the committee of the House.

*Resolved*, That invitations be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the Chief of Naval Operations, and the General of the Army to attend the funeral in the Hall of the House of Representatives.

*Resolved*, That as a further mark of respect this House do now adjourn.

Also, the House has passed a bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes, in which it requests the concurrence of the Senate.

## THE JOURNAL.

Mr. HARRISON. Mr. President, as I stated, the Journal reads that "The Secretary proceeded to read the Journal of the proceedings of yesterday."

Mr. CURTIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Kansas?

Mr. HARRISON. As soon as I offer the amendment to the Journal which I propose to offer, I will yield to the Senator. It is apparent to everyone that the Secretary did not read the Journal of the proceedings of Wednesday; on the contrary, every Senator remembers that the reading clerk, Mr. Crockett, or the Assistant Secretary of the Senate, Mr. Rose, read the Journal. For accuracy's sake I move that the Journal be corrected in the first instance where it says "The Secretary proceeded to read the Journal" so as to say that "The Assistant Secretary of the Senate, Mr. Rose, proceeded to read the Journal." Now I yield to the Senator from Kansas.

Mr. CURTIS. We might dispose of that by unanimous consent.

Mr. HARRISON. I wish to address myself to the motion briefly.

Mr. CURTIS. I desire to advise the Senate that in connection with the resolutions which have come over from the House, I understand it is the intention of the Senator from Illinois [Mr. McKINLEY] to ask that they be laid before the Senate, and that an adjournment be had. In view of that fact, I ask unanimous consent that the Journal of the proceedings of Tuesday last and the Journal of the proceedings of Wednesday last be approved.

Mr. UNDERWOOD. Mr. President, we are perfectly willing to have the Senator take such action as he desires in reference to the resolutions coming over from the House of Representatives, but we can not consent to any unanimous-consent order about the Journal of the proceedings of Tuesday and Wednesday or the business of the Senate until we reach a final agreement upon all matters. So the Journal will have to remain as the unfinished business of the Senate until we reach a final agreement. I would object to the approval of the Journal by unanimous consent, but whatever order is desired to be made in reference to the resolutions coming over from the House in regard to the death of the late Representative MANN, whom we all loved and respected and whose death we greatly lament, we, of course, are ready to act in entire harmony with the desire of the other side of the Chamber.

Mr. CURTIS. Mr. President, I understand that it is the desire of the Senator from Illinois [Mr. McKINLEY] that the resolutions of the House of Representatives be laid before the Senate.

Mr. McKINLEY. I make that request, Mr. President.

Mr. OVERMAN. Mr. President, I do not desire to interfere at all with a motion to adjourn. I regarded Mr. MANN very highly; I knew him well; I traveled with him for some 3,000 miles, and found him to be a great and a good man, and I am distressed to hear of his death.

I had intended, Mr. President, to take a short time in demonstrating to the Senate, as I think I can demonstrate, by a long line of decisions, including decisions in three lynching cases, that the so-called Dyer bill now pending in the Senate is clearly unconstitutional. However, I shall not do that to-day; but at some future time I hope that I can show to the Senate and to the country that the bill is a high-handed invasion of the Constitution of the United States.



## DEATH OF REPRESENTATIVE JAMES R. MANN.

The PRESIDENT pro tempore. The Chair lays before the Senate the resolutions of the House of Representatives. Without objection, the resolutions will not be reread, inasmuch as they have already been read in the hearing of the Senate.

Mr. McKINLEY. Mr. President, it becomes my sad duty to announce to the Senate the death of Hon. JAMES R. MANN, of Illinois, late a Member of the House of Representatives and a former colleague of many of the present Members of this body.

After completing a continuous service of 25 years in the House of Representatives, years filled with honest, studious, and constructive accomplishment, he passed away on the evening of November 30.

JAMES R. MANN moved with strength to the surest end, worked with poise to the safest point. He held an abiding faith in enduring things. He was industrious without asking that the strokes be made of record. Honest, patriotic, sincere, his adversaries could not terrify him by assault nor friends change his fixed purposes by flattery. His untimely death is a shock to his legion of friends and a distinct loss to his country.

I may not at this time attempt to detail his great service, but at a proper time I shall ask the Senate to set apart a day for memorial exercises, when fitting tribute may be paid his life, character, and distinguished public career.

Mr. President, I offer the resolutions which I send to the desk, and ask their adoption.

The PRESIDENT pro tempore. The Secretary will read the resolutions submitted by the Senator from Illinois.

The Assistant Secretary read the resolutions (S. Res. 370), as follows:

*Resolved*, That the Senate had heard with profound sorrow the announcement of the death of the Hon. JAMES R. MANN, late a Representative from the State of Illinois.

*Resolved*, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. LODGE. Mr. President, when the resolutions offered by the Senator from Illinois have been adopted I shall move the acceptance of the invitation of the House of Representatives that the Senate in a body attend the funeral of the late Representative MANN to-morrow at 2 o'clock.

The PRESIDENT pro tempore. The Chair is compelled to consider this proceeding as being by unanimous consent.

Mr. UNDERWOOD. Mr. President, I stated a moment ago that there is no objection to this proceeding being had by unanimous consent. We raise no question about it at all.

The PRESIDENT pro tempore. The question is on the adoption of the resolutions presented by the Senator from Illinois.

The resolutions were unanimously agreed to.

The PRESIDENT pro tempore appointed as the committee on the part of the Senate under the second resolution Mr. McKINLEY, Mr. BALL, Mr. CAMERON, Mr. GLASS, Mr. HARRELD, Mr. LENOIR, Mr. POMERENE, Mr. WATSON, and Mr. WILLIS.

Mr. LODGE. Mr. President, I move that the Senate accept the invitation of the House of Representatives to attend in a body at 2 o'clock to-morrow the funeral of Hon. JAMES R. MANN.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Massachusetts.

The motion was unanimously agreed to.

Mr. McKINLEY. Mr. President, as a further mark of respect to the memory of the late Representative MANN, I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 12 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Saturday, December 2, 1922, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

FRIDAY, December 1, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father who art in heaven, wilt Thou hear us? Our hearts are sore and heavy, and there is no adequate speech for the deep emotions of the soul. Out of a strong right hand Thou hast taken the staff, and the left is cold and smitten. Next to his fireside altar this place was in his loving regard and solicitude. Here the associations of the years cluster and here he consecrated his powers with the sacrament of unstinted toil. A tower of strength is fallen and lies prostrate, and in this place affection has its way. Dry the tears that no other hand can touch and give comfort and hope to those who suf-

fer. Bestow that peace that brings light when night would distress us, that fills the void of the grave and conquers death. At the last, for us may the Jordan be dried, the wilderness carpeted, and the way made as beautiful as the gardens of heaven. In the name of Jesus. Amen.

The Journal of the proceedings of Wednesday, November 29, was read and approved.

## HOUR OF MEETING TO-MORROW.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 1.30 p. m. to-morrow.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet at 1.30 o'clock p. m. to-morrow. Is there objection? There was no objection.

## HOUR OF MEETING ON MONDAY NEXT.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns on Saturday it adjourn to meet at 11 o'clock a. m. on Monday next.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns on Saturday it adjourn to meet at 11 o'clock a. m. on Monday next. Is there objection?

There was no objection.

## DEATH OF REPRESENTATIVE JAMES R. MANN.

Mr. MADDEN. Mr. Speaker, it becomes my painful duty to report the death of my colleague, Hon. JAMES R. MANN, a Representative from the State of Illinois, who died at his home in this city last night at 11 o'clock and 15 minutes p. m. after a short illness. It is needless to say that everybody in the House is shocked at the announcement of his death. In the death of Mr. MANN the Nation loses one of its most stalwart defenders. At a later date the Illinois delegation will ask that a day be set apart on which memorial services may be held in honor of our deceased colleague, at which time his life story and work on behalf of the Nation will be told. I offer the following resolutions, which I send to the Clerk's desk.

The Clerk read as follows:

## House Resolution 455.

*Resolved*, That the House has heard with profound sorrow of the death of Hon. JAMES R. MANN, a Representative from the State of Illinois.

*Resolved*, That a committee of the House be appointed to take order for superintending the funeral of Mr. MANN in the House of Representatives at 2 o'clock p. m. on Saturday, December 2, 1922, and that the House of Representatives attend the same.

*Resolved*, That as a further mark of respect the remains of Mr. MANN be removed from Washington to Chicago, Ill., in charge of the Sergeant at Arms, attended by the committee, who shall have full power to carry these resolutions into effect, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

*Resolved*, That the Clerk of the House communicate these proceedings to the Senate and invite the Vice President and the Senate to attend the funeral in the House of Representatives and to appoint a committee to act with the committee of the House.

*Resolved*, That invitations be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the diplomatic corps (through the Secretary of State), the Chief of Naval Operations, and the General of the Army to attend the funeral in the Hall of the House of Representatives.

The resolutions were agreed to.

The Speaker appointed the following committee:

Mr. CANNON, Mr. MADDEN, Mr. RODENBERG, Mr. BRITTEN, Mr. SPROUL, Mr. COPLEY, Mr. CHINDBLOM, Mr. MCKENZIE, Mr. SABATH, Mr. IRELAND, Mr. MOORE of Illinois, Mr. FUNK, Mr. KING, Mr. FORDNEY, Mr. COOPER of Wisconsin, Mr. STAFFORD, Mr. KNUTSON, Mr. MONDELL, Mr. GARRETT of Tennessee, Mr. SISSON, Mr. MONTAGUE, Mr. CRISP, Mr. BYRNS of Tennessee, Mr. POW, Mr. LANGLEY, and Mr. OLDFIELD.

The Clerk read the further resolution, as follows:

*Resolved*, That as a further mark of respect this House do now adjourn.

The resolution was agreed to.

## ADJOURNMENT.

Accordingly (at 12 o'clock and 11 minutes p. m.) the House adjourned until to-morrow, Saturday, December 2, 1922, at 1 o'clock and 30 minutes p. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

712. A letter from the Secretary of the Treasury, transmitting statement showing exchanges of typewriters, adding machines,



and other labor-saving devices for the fiscal year ended June 30, 1922; to the Committee on Appropriations.

713. A letter from the Secretary of the Treasury, transmitting statement showing in detail what officers and employees performed travel on official business from Washington to points outside the District of Columbia during the fiscal year ended June 30, 1922; to the Committee on Appropriations.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BYRNES of South Carolina: A bill (H. R. 13110) authorizing the Secretary of the Navy in his discretion to deliver to the Daughters of the American Revolution of the State of South Carolina, the silver service which was used upon the battleship *South Carolina*; to the Committee on Naval Affairs.

By Mr. BRITTEN: A bill (H. R. 13111) to provide relief for temporary and reserve officers of the United States Navy who were transferred to the regular service; to the Committee on Naval Affairs.

By Mr. IRELAND: A bill (H. R. 13112) to provide for the erection of a Federal building at Springvalley, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. SWANK: A bill (H. R. 13113) for the purchase of a site and the erection thereon of a public building at Norman, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13114) for the purchase of a site and the erection thereon of a public building at Sulphur, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13115) for the purchase of a site and the erection thereon of a public building at Pauls Valley, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13116) for the purchase of a site and the erection thereon of a public building at Purcell, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. FROTHINGHAM: Resolution (H. Res. 457) requesting the Secretary of the Navy to furnish to the House of Representatives certain information regarding the scrapping of vessels of war; to the Committee on Naval Affairs.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KING: A bill (H. R. 13117) granting a pension to James McCullough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13118) granting an increase of pension to William Dotson; to the Committee on Pensions.

Also, a bill (H. R. 13119) granting a pension to Benjamin Franklin Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13120) granting a pension to Amanda J. Johnson; to the Committee on Invalid Pensions.

By Mr. ROBSION: A bill (H. R. 13121) granting a pension to James Fletcher; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 13122) granting a pension to Mattie Dunn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13123) granting a pension to Mary Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13124) granting a pension to Maggie L. Manley; to the Committee on Invalid Pensions.

By Mr. IRELAND: Resolution (H. Res. 456) authorizing the Clerk of the House to pay out of the contingent fund of the House to Florence A. Donnelly and Edna Radcliffe one month's salary as clerks to the late Hon. James R. Mann; to the Committee on Accounts.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6497. By Mr. KISSEL: Petition of the Kern Co. (Ltd.), New Orleans, La., relative to the Winslow resolution relative to the Austrian property seized during the war; to the Committee on Foreign Affairs.

6498. By Mr. MAPES: Petition of William D. Bosman and 21 others, of Grand Rapids, Mich., for the abolition of the tax on small-arms ammunition and firearms in section 900, paragraph 7, of the internal revenue law; also petition of E. J. Benyan and 43 others, of Grand Rapids, to the same effect; to the Committee on Ways and Means.

#### SENATE.

SATURDAY, December 2, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O God, to whom all hearts are open and from whom no secrets are hid, we come and ask Thee for Thy grace that we may so live before Thee that in all the work begun, continued, and ended we may receive Thy approbation. Enable us always to walk in the light and so render to Thee acceptable service, always seeking the welfare of the country and all the interests that bind us to others beyond our shores. We ask in Jesus Christ's name. Amen.

The VICE PRESIDENT resumed the chair.

WILLIAM P. DILLINGHAM, a Senator from the State of Vermont, appeared in his seat to-day.

#### SENATOR FROM IOWA.

Mr. CUMMINS. Mr. President, I present the certificate of election of SMITH W. BROOKHART, Senator elect from the State of Iowa, which I ask may be read; and after the reading of the certificate, as the Senator elect is present, I ask that the oath be administered to him.

The credentials were read and ordered to be filed, as follows:

STATE OF IOWA,  
Executive Department.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1922, SMITH W. BROOKHART was duly chosen by the qualified electors of the State of Iowa a Senator from said State to represent said State in the Senate of the United States for the unexpired term of Senator William S. Kenyon, resigned, said term ending on March 4, 1925.

Witness: His excellency our governor, N. E. Kendall, and our great seal hereto affixed at Des Moines this 28th day of November, in the year of our Lord 1922.

[SEAL.]

N. E. KENDALL, Governor.

By the Governor:

W. C. RAMSAY,  
Secretary of State.

The VICE PRESIDENT. The Senator elect will present himself at the desk and be sworn.

Mr. BROOKHART, escorted by Mr. CUMMINS, advanced to the Vice President's desk, and the oath prescribed by law having been administered to him, he took his seat in the Senate.

#### CALL OF THE ROLL.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Glass	Nelson	Shortridge
Brandegee	Gooding	New	Smoot
Brookhart	Harrell	Norbeck	Spencer
Broussard	Harris	Norris	Stanley
Cameron	Harrison	Overman	Sterling
Capper	Hedin	Page	Sutherland
Caraway	Jones, N. Mex.	Pepper	Townsend
Culberson	Jones, Wash.	Phipps	Underwood
Cummins	Lodge	Pomerene	Walsh, Mass.
Curtis	McKellar	Ransdell	Walsh, Mont.
Dillingham	McKinley	Reed, Mo.	Warren
Fernald	McLean	Reed, Pa.	Watson
Fletcher	McNary	Robinson	Willis
George	Myers	Sheppard	

Mr. FLETCHER. I wish to announce that my colleague [Mr. TRAMMELL] is unavoidably absent, and that he has a general pair with the Senator from Rhode Island [Mr. COLT]. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Fifty-five Senators having answered to their names, a quorum is present.

[A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.]

#### THE JOURNAL.

The VICE PRESIDENT. The Secretary will read the Journal of the preceding session.

The Assistant Secretary proceeded to read the Journal of yesterday's proceedings.

Mr. CURTIS. I ask unanimous consent to dispense with the further reading of the Journal.

The VICE PRESIDENT. Is there objection?

Mr. UNDERWOOD. Of course, I would be delighted to agree with my friend from Kansas about almost anything except the Journal, but under the present status of public business I think it is necessary to have the Journal amended. The reading will have to be proceeded with for the present.



The Assistant Secretary resumed and concluded the reading of the Journal.

Mr. HARRISON. Mr. President, when the Senate adjourned on yesterday the unfinished business, I think, was a motion then pending to correct a mistake in the Journal of the preceding day, where the Journal had recited the fact that the Secretary had read the Journal of the preceding day, when, in fact, the Journal had been read by the Assistant Secretary of the Senate, Mr. Rose. So that very important question is pending and will have to be decided by the Senate at some time. Now, I note in the Journal which has just been read the statement:

The Journal of the proceedings of Wednesday, November 29, 1922, was read, and the President pro tempore having stated the question—

And so forth. In other words, the Journal leaves out the very important fact as to who read the Journal. On yesterday, I recall, and I am sure other Senators recall, that the Journal was read by the reading clerk, Mr. Crockett. I therefore move that the Journal which has just been read be corrected to state the fact. In order that the record may be preserved and that future generations may know precisely who did read the Journal of that day, I move to insert after the words "was read" the words "by the reading clerk, Mr. Crockett."

The VICE PRESIDENT. The question is on the motion of the Senator from Mississippi to amend the Journal.

Mr. HEFLIN obtained the floor.

Mr. OVERMAN. Mr. President—

Mr. HEFLIN. I yield to the Senator from North Carolina.

The VICE PRESIDENT. The Senator from North Carolina.

Mr. OVERMAN. Mr. President, when any considerable number of Senators are satisfied and conscientiously believe that any proposed legislation is unconstitutional, that it involves the integrity of the States and the liberties of the people, and if passed would undermine the very foundation stones of this Republic, I think they are fully justified in filibustering to prevent, if possible, a militant majority from roughshodding over a strong minority. We fully believe that the pending measure is unconstitutional; we fully believe that it is partisan in its character, and we also believe that it is sectional.

Nor, Mr. President, does it lie in the mouths of Senators on the other side of the Chamber to criticize a filibuster. They will filibuster on any occasion which they deem appropriate. We have not forgotten that only a short time ago the able and distinguished Senator from Utah [Mr. SMOOT], with remarkable vigor, from the setting of the sun to the rising thereof, all night long, spoke against time, against the then pending shipping bill. The Senator now says, "That is right." He does not deny having done so. He engaged in that filibuster to prevent the passage of legislation in preparation for our participation in the World War, which afterwards came, and which legislation was unanimously agreed to after that war began.

Mr. SMOOT. Mr. President, the Senator from North Carolina is wrong in the statement that he has just made.

Mr. OVERMAN. Well, what is the correct statement?

Mr. SMOOT. Senators on this side of the Chamber filibustered against the bill proposing to purchase the German ships which were interned after the declaration of war by our Government. It was against that we filibustered.

Mr. OVERMAN. But the Senator and his colleagues filibustered; that is the point.

Mr. SMOOT. Certainly; there is no doubt about that at all; I agree to that; and we were successful, too.

Mr. OVERMAN. And they were successful, as we hope to be in this instance.

Mr. SMOOT. And we saved the Government about \$35,000,000 or \$40,000,000.

Mr. OVERMAN. As the result of that filibuster, the Senators on the other side of the Chamber caused a waste of millions of dollars.

The distinguished Senator from Washington [Mr. JONES] on that occasion also spoke against time for eight hours in order to prevent the passage of the bill. The then aged Senator from New Hampshire [Mr. Gallinger], whom everybody loved, at that time the leader of the other side of the Chamber, also spoke for eight hours, and he was never afterwards a well man. His protracted speech on that occasion hastened his death.

So in this case, Mr. President, Senators on the other side of the Chamber are not justified in criticizing us for filibustering against the passage of a bill which involves a fundamental question, a question involving the very integrity of this Government, of the States, and also the liberties of the people.

The pending bill is sectional. It has been charged that it was written by a negro from the North; and that charge has not been denied; and it has been sent here for the purpose of being passed in order to corral the negro vote.

Mr. President, I wish to state here that the very Senators on the other side of the Chamber who were candidates for reelection and who were most active in trying to get this bill reported out of the committee and placed upon the calendar in order to hold the negro votes in their States have, every one of them, gone down to defeat. I tell my colleagues on the other side that whenever they endeavor to secure the passage of a sectional bill of this character, in order to degrade certain people in this country, they will always suffer for it afterwards. It is always a curse to them. The people of the United States will never stand for such legislation, as our history has heretofore shown, and as I expect to demonstrate has, previously happened in this country when similar legislation has been pressed. Now we are confronted with this question. Here is a sectional measure. On its face it seems to be general, but it was practically admitted here the other day by the Senator from Iowa [Mr. CUMMINS] that it would not affect members of mobs and those who participated in riots in certain States of the North, such as Illinois, and in other sections of the country. That is admitted. Why is this bill brought here? Senators on the other side can not corral the negro vote by passing such a measure as this. The negro vote is just as apt to vote the Republican ticket as rain is to roll off a duck's back. I remember when I was a young man running for the first time for the legislature a friend of mine went to a grand old colored man who was as devoted to me as anyone could be in this world—I believe he would have died for me—and asked him to vote for me. The contest was close, but he said, "I can not vote for Marse Lee." He was asked why, and replied, "Because they would put me back in slavery."

The question was not argued with him, because he firmly believed that if he voted the Democratic ticket or if he voted for me he and his brethren would be put back in slavery. So the colored people are going to vote the Republican ticket in any event, and it is not necessary that the majority should pass such legislation as this in order to make them support Republican candidates.

This bill is brought forth for partisan purposes in the North. I repeat, however, that every one of the men who was a candidate for reelection and who advocated this bill went down to defeat in the recent election. I do not know whether or not their advocacy of such a measure as this had anything to do with the result, but I do know that all those who insisted on this partisan legislation and who were candidates for reelection went down to defeat. It is a measure designed to bring trouble to one of the fairest sections of our country.

Mr. President, there is no demand on the part of the negroes of the South for this proposed legislation. I have never heard of such a demand coming from them. The negroes in the South are happy and contented; they own property; they are educating their children; they are protected by the law as much as any other man is protected by the law in the States; and they are satisfied and want to be let alone, but those who seek to press the pending bill will not let them alone. They want to stir up strife again. This bill will merely put evil notions into the heads of some poor devils down there who will feel that they will have a license guaranteed by the Federal Government to commit awful crimes. The old white man will get out his Winchester rifle, which has been laid aside for so many years that it has become rusty, and be ready for any emergency, and where we have had quiet and peace there will be strife stirred up again.

Mr. President, whenever the Republican Party has undertaken to pass a measure such as this it has proved a curse to them. We have not had any such legislation proposed for thirty-odd years. This is the first occasion in all those years when a sectional bill has come before this body for consideration. Why is it desired to stir up sectional feeling again? Why are we not to be allowed to rest in quiet and peace and prosperity?

It is said that the negroes are deprived of their property and of their liberty; but that is not the fact, for in the South they have the same rights as and are protected equally with the white man. I remember 40 years ago, when I was little more than a boy, as a member of the legislature I aided materially, I am proud to say, in defeating a bill that proposed to take the money derived from the revenue collected in the shape of taxes on the white man and devoting it to the education of white children and taking the taxes derived from the property of the negroes to educate the negroes. That



might have been against the Constitution; in any event, it was unfair and unjust to the colored man, and I succeeded in defeating it. Since that time in North Carolina there has been no legislation seeking to discriminate in favor of the white man and against the colored man, but every time a dollar is appropriated for education or for any other purpose for white men the negro gets his share.

Mr. President, is this bill constitutional? That is the great issue here. I wish to go back to the fountainhead; I wish now to go back to the days which marked the inception of this great question. At that time when this question was brought forward it was marked by hatred and malice on the part of the party in power—I am not criticizing them—against that section where the people had suffered and were sorely stricken. During that era there were passed twenty-odd so-called reconstruction bills. Thanks, however, to the present majority party, every vestige of the reconstruction acts has been removed from the statute books since I have been a Member of this body. Why was that action taken? It was due to the better feeling which it was realized existed throughout the country and because the Republican Party, on account of those reconstruction acts 10 years after the war, saw itself go down in defeat. A great President from Ohio, Mr. Hayes, reflecting the public sentiment of this country, restored to the South their integrity; a Republican President put a Southern man in his Cabinet, and from that time until the force bill was introduced we had quiet and peace. When the force bill was passed by the House of Representatives, brave, patriotic, able Republican Senators from the West, sympathizing with the South and our condition, rose against their party and joined with us in a filibuster to defeat that iniquitous measure. The man who introduced it and those who supported it to-day in their hearts are sorry for their act and are ashamed of such attempted legislation. The men who helped us to defeat it are proud of their act, and their people are proud of their conduct in working for the defeat of that bill. So it will be in the case of the pending measure, which is a sectional bill. If the Republican majority shall succeed in passing it, they will live to see the day when they will be ashamed of their conduct, and their people will leave them at home, just as in the recent election they left at home those who had been here advocating that the Judiciary Committee report this bill to the Senate in order to hold the negro vote.

Mr. President, at that time, when there was so much hatred and bitter feeling in this country, Congress was led and controlled by a man whom we hated as cordially as any man in the world—old Thad. Stevens. He was the leader; he was the controlling man in all of the Congress. He was the author, it is said, of the fourteenth amendment. He was the author of these reconstruction acts; and yet I am going to show you by Thaddeus Stevens himself that he did not construe the fourteenth amendment as the Senator from California construed it. I am going to show you that when an amendment to the proposed constitutional amendment was introduced on the floor of the Senate to carry out just what the Senator from California and other Senators are contending for, the Senate voted it down because it was interfering with the integrity of the States. Men in the North, men in the East and the West, loved their States. They believed in preserving the integrity of the States, and that the police power that was in the States, guaranteed by the Constitution, should stay there.

I want to say this, Mr. President: I differ with the Senator from Iowa [Mr. CUMMINS]. I gathered—I may be mistaken—I love him, and I do not want to misinterpret anything that he says—but I gathered from him the other day that if he thinks the Supreme Court has decided a question wrongly he will not be bound by the decision.

Mr. CUMMINS. No, Mr. President; I did not intend to say anything of that kind. I think every good citizen must be bound by the interpretation of the Constitution as given by the Supreme Court.

Mr. OVERMAN. The Senator said he did not agree with the child labor law decision; and I suppose if the child labor law should come up here now, notwithstanding the decision of the Supreme Court, he would vote for it.

Mr. CUMMINS. Mr. President, the two questions are wholly different. Every good citizen must yield to the decisions of the Supreme Court of the United States in interpreting the Constitution; but if I think, myself, that an act is constitutional, I do not believe that it is the part of a bad citizen to present the question again to the Supreme Court of the United States, hoping that the conviction that I myself hold may finally receive the approval of that high tribunal.

Mr. OVERMAN. Where will that principle lead us? Every bootlegger, every man who commits lynching, and who thinks

that the law is unwise or that the Supreme Court is wrong, will violate the Constitution because he thinks the Supreme Court is wrong; and when a man really wants to rape the Constitution in that manner he literally becomes a member of a mob.

Mr. CUMMINS. Mr. President, I do not justify on the part of a citizen any conduct in violation of the Constitution as interpreted by the Supreme Court. When we come to consider the duty of a legislator, if he believes that a proposed act is unconstitutional he ought not to vote for it, of course; but if he believes that upon rehearing the Supreme Court may change its view respecting the matter he is not guilty of bad morals or unethical conduct if he votes for the passage of a measure in order that it may be submitted to the Supreme Court.

Mr. OVERMAN. Therefore anybody who wants to pass a law will say "The Supreme Court is wrong; we will put it up to the Supreme Court again," just as it is said in this case "Let them pass on it again." A man who does that is a lawbreaker.

Mr. CUMMINS. That is just as I did in the case of the income tax law and just as the Senator from North Carolina did at the same time.

Mr. OVERMAN. I do not recollect my record on that law, but—

Mr. CUMMINS. I am only speaking generally. I do not remember specifically about the vote of the Senator from North Carolina.

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Florida?

Mr. OVERMAN. I do.

Mr. FLETCHER. May I suggest that the position of the Senator from Iowa is that a question is never settled by the decision of the Supreme Court of the United States? We never can know the proper construction of the Constitution, because we may hereafter have a chance to bring up the question, and a change of personnel on the Supreme Court may change its decision. That, of course, leaves the whole question always open, and it is never settled.

Mr. CUMMINS. No, Mr. President; that is not quite accurate, either. This matter came up the other day when we were discussing the kind of doubt that a legislator should feel in order to compel him to vote against a proposed law on the ground that it was unconstitutional. I said that there were many doubts with regard to the ultimate decision of the Supreme Court upon a given question; that I would never vote for a proposed law if I believed it to be unconstitutional, but that if I had some doubt with regard to the outcome of litigation that might arise upon the statute when it reached the Supreme Court that was not the kind of doubt that would lead me to vote against a proposed law which I believe to be constitutional.

Mr. OVERMAN. Therefore the Senator believes that there are degrees of doubt. If he has some doubts, he will vote for the measure. If he has other doubts, he will not vote for it. He is put in that position; and when I referred to the fact that a man who votes for a bill that he has doubt about, instead of resolving it in favor of the Constitution and against the law, is a criminal, he said he had heard such things, but he did not believe in them. I am going to cite from one of the greatest law writers that ever wrote, and he is borne out by the other great law writers of this country on this subject. I am going to read something that I believe ought to be read at the desk when every Senator takes an oath and subscribes to it to support the Constitution of the United States and the laws of his country.

One of the great law writers of this country—and I think the Senator from Iowa [Mr. CUMMINS] will agree with me—is Mr. Cooley, a great western lawyer. What does he say on this subject?

Legislators have their authority measured by the Constitution; they are chosen to do what it permits, and nothing more, and they take solemn oath to obey and support it. When they disregard its provisions they usurp authority, abuse their trust, and violate the promise they have confirmed by an oath. To pass an act when they are in doubt whether it does not violate the Constitution—

I call the Senator's attention to this—

To pass an act when they are in doubt whether it does not violate the Constitution is to treat as of no force the most imperative obligations any person can assume. A business agent who would deal in that manner with his principal's business would be treated as untrustworthy; a witness in court who would treat his oath thus lightly, and affirm things concerning which he was in doubt, would be held a criminal. Indeed, it is because the legislature has applied the judgment of its members to the question of its authority to pass the proposed law, and has only passed it after being satisfied of the authority, that the judiciary waive their own doubts and give it their support.



That is a treatise in regard to the Supreme Court and what they ought to do; and, incidentally, Judge Cooley says that any Senator who has a doubt about the constitutionality of this measure, and who votes for it, is a criminal. I say there is no Senator, layman or lawyer, who will go down to the bottom of this matter and investigate it but who will have doubts about it, as every member of the Judiciary Committee had. It is your duty to investigate it; and, having that doubt, a vote for it makes you a criminal in morals, and it is with you and your conscience what you will do.

Mr. HEFLIN. Mr. President, will the Senator yield to me?

Mr. OVERMAN. I yield.

Mr. HEFLIN. The great Lincoln, at Cooper Union in 1860, said:

No man who has sworn to defend the Constitution can conscientiously vote for what he understands to be an unconstitutional measure, however expedient he may think it.

Mr. OVERMAN. Mr. President, you can not control the passions of men by law. There are lynchings in the South, deplorable as it is, and we all deplore it. There are lynchings in the North, in Ohio, in Indiana, in Illinois, in California. There are lynchings everywhere in the world. How are you going to control this condition? If a State can not control it, how can the Federal Government control it?

I noticed in the papers some time ago that they said of me that I was once present at a lynching. It is not true. I was not present; but I went to the jail doors, stood upon the jail steps, and pleaded as I never pleaded before for a howling mob to desist from the lynching. The men were lynched in the suburbs of the town. I was not present. All I did was to try to keep them from performing that horrible act.

A very prominent farmer had been beaten on the head with the butt end of an ax. His little boy, who slept by his side, was killed with the butt end of an ax. His poor wife was sleeping in another bed by his side with a little girl, and both of them were beaten in the head with this ax and killed. Two young girls, daughters, were asleep upstairs. The house was set on fire to burn them up. The people were aroused. They were mad, determined to lynch these men. The court was in session. I went to the judge as they gathered around the jail doors and asked the judge to go with me and stop the mob. He did, and they drove him away. The district attorney came and made them a speech. They threatened his life and ran him off. A Member of Congress was there, and they tried to kill him, and came very near killing him, but for some strange reason they heard me.

Did you ever stand before a mob, my countrymen, and look into their angry, horrible, crazy faces? If you have, you would understand it. I never want to see another scene of that sort. I pleaded with them for an hour, and they heard me; and finally the leader said, "Men, come on; let us go home and come back here to-morrow. If the court does not hang these men, we will."

I got down off the jail steps and led him away. The crowd followed. I went over to the judge and told him the lynching was over, and told a newspaper man who is here now that there would be no lynching; but in the meantime the military had been ordered out, after these men had left the jail, and it inflamed these men again. They did not fear the military. They did not fear anything. They were armed with dynamite, with axes, and with guns. They feared nobody, and this inflamed them; and they went back, tore down the jail, took these men out in the street, tried them in the street, acquitted three of them, and hung three.

Mr. President, I did not recognize one of these men, although I told them that I knew every one of them. I told the grand jury the next day that I did not recognize a man in the crowd. They were evidently from another county; and yet one section of this bill, which no man will contend is constitutional here on this floor, provides that when a lynching occurs in a county that county shall be assessed \$10,000 in favor of the family of the deceased, and allows the Federal court to levy taxes upon the people to pay the amount. Does anybody say that section of the bill is constitutional? What would have been the result in my county? The innocent county that had nothing to do with the lynching would have had its taxpayers mulcted in the sum of \$10,000.

Mr. President, in the Frank case Frank was taken from the penitentiary and carried through some 10 counties to the place where they lynched him. Under this bill, if the officers had failed to do their duty in the counties, you could have mulcted every county along the line, the county in which he was taken, the one in which he was hung, and the others, and assessed the people, and made them pay \$10,000. Will anybody stand for such legislation as that? Have not Senators doubts in their

minds as to the constitutionality of that? If they have doubts, what is their duty, as stated by every text writer upon the subject?

Mr. POMERENE. Mr. President, may I ask the Senator a question there?

Mr. OVERMAN. Certainly.

Mr. POMERENE. A moment ago the Senator made the statement that a law was clearly unconstitutional which sought to hold the county responsible in damages for a lynching.

Mr. OVERMAN. And giving the right to the Federal Court to levy the taxes.

Mr. POMERENE. That is what I wanted the Senator to make clear. Would the Senator contend that a State legislature did not have that power?

Mr. OVERMAN. I would contend that under the Constitution the legislature would have the right to levy whatever taxes they wished to levy within the Constitution's limitation, and whatever taxes they levied under the Constitution can be collected by the sheriff. But a Federal court has no right to levy taxes or to issue execution. They can issue a mandamus, but for what?

Mr. POMERENE. What I am seeking to get at is this: Does the Senator hold that a State legislature could not pass a law making the county responsible in damages?

Mr. OVERMAN. No; I take no such position as that, because my State did that very thing.

Mr. POMERENE. My State has done the same thing, and I wanted to have clearly in my own mind what the Senator's position was. Is he simply discussing this now from the standpoint of the Federal Constitution or from the standpoint of a State constitution or both?

Mr. OVERMAN. I am discussing it from the standpoint of the Constitution of the United States.

Mr. UNDERWOOD. If the Senator will allow me a moment to make a suggestion, I have no doubt the position of the Senator from North Carolina is that, so far as taxes levied by the State are concerned, they must be levied by State authority.

Mr. OVERMAN. Under the Constitution of the United States?

Mr. UNDERWOOD. Taxes levied by the Federal Government can only be levied by the Congress of the United States, and by no other authority.

Mr. OVERMAN. Under the Constitution; and I am discussing it from the constitutional standpoint.

Mr. CUMMINS. May I ask the Senator a question at that point?

Mr. OVERMAN. Certainly.

Mr. CUMMINS. Suppose a county maintains an unsafe bridge, and a traveler in passing over it meets his death under such circumstances as indicate want of care on the part of the county authorities. Does the Senator mean to say that the county can not be made liable for that injury?

Mr. OVERMAN. I maintain that the legislature gives to the county the right to levy such taxes as are necessary to pay the debts of the county; and the county having been sued, and a judgment having been gotten for the negligence of the county commissioners in not keeping up that bridge, of course the county can levy the taxes.

Mr. CUMMINS. Let me ask a further question, that having been answered very satisfactorily. Suppose a county issues bonds and does not pay them when they mature and a judgment is recovered against the county on account of the default of the county authorities?

Mr. OVERMAN. A mandamus can be gotten out.

Mr. CUMMINS. Can not a court compel the county to levy the taxes necessary to pay them?

Mr. OVERMAN. Yes; under the State constitution that can be done.

Mr. CUMMINS. Therefore, if one, under this act, shall recover a judgment against a county, is there any difficulty in securing the proper process to compel the county to levy taxes that will pay the judgment?

Mr. OVERMAN. Does the Senator from Iowa claim that a Federal court can levy taxes on the people?

Mr. CUMMINS. No. The court can compel the county authorities to levy the taxes, and that has been done many, many times in the case of county authorities, township authorities, and other governmental instrumentalities of lesser size than States. I do not think it has ever been determined that a Federal court can compel a State to levy taxes.

Mr. OVERMAN. I thought the Senator would agree to that. Now, I want to ask the Senator a broad, plain question. Does the Senator think this section of the bill is constitutional?

Mr. CUMMINS. I think it is constitutional. I said the other day, and I repeat now, that I am not so certain of the



constitutionality of these two sections of the bill as I am of other sections; but I believe they are constitutional, because it has been the habit among civilized countries for a very, very long time to impose a liability of this character upon municipalities which fail to enforce the law.

Mr. OVERMAN. The Senator's position is very different from that which he took before the committee. Of course, he has a right to change his mind. He is a great lawyer and a good man, and I have no criticism to make of him.

Now, I want to get to the fountainhead, to go back and see where this legislation began, who fathered it, what his view of it was, and what the intention of Congress was at that time, in those distressing hours, hours of bitterness and trouble and spite and hatred.

Mr. Stevens was the author of this amendment, as well as of most of the acts intended to humiliate, to oppress, and to degrade the South. Here is what Mr. Stevens said in arguing for the fourteenth amendment:

The Constitution limits only the action of Congress and is not a limitation on the States. This amendment supplies that defect and allows Congress to correct the unjust legislation of the States so far that the law which operates upon one man shall operate equally upon all. Whatever law punishes a white man for a crime shall punish the black man precisely in the same way and to the same degree.

The law books are to the same effect, that this amendment does not enlarge the Constitution. It only tends to fetter and to hinder the States from making laws to discriminate against the colored man in favor of the white man in his property rights and in his personal rights.

Mr. CUMMINS. May I ask the Senator a question at that point, because it is very desirable to get his full understanding: Does he assert that Mr. Stevens claimed that this amendment applied only to legislation?

Mr. OVERMAN. I gather from that language he did.

Mr. CUMMINS. If he did so claim, the Supreme Court has overruled him many times.

Mr. OVERMAN. We will see about that.

Mr. CUMMINS. So far as the application of the amendment is concerned, it is conceded now, I think, by all lawyers that the amendment can be violated by executive and administrative officers as well as by the legislature of a State.

Mr. OVERMAN. The argument made by the able Senator from California, an argument as good as anybody can make, and the same argument now made by the Senator from Iowa, was made in Congress at that time, and Congress tried to do what these Senators say they can do now under the fourteenth amendment. They tried to amend the fourteenth amendment and put the language right in the amendment itself so that Congress should have this power given to it, as proposed by this bill. This was the language of the amendment introduced:

Congress shall have power to make all laws which shall be necessary and proper to secure to the citizens of each State all privileges and immunities of citizens of the several States, and to all persons in the several States equal protection of the right of life, liberty, and property.

Does the Senator catch that? Is not that what he contends in the argument he makes? I am sure he does, and he has made an able argument. But I say to the Senator from California, the Senate voted that down and declined to put any such language in the Constitution, because they did not want that power given to Congress. Then Congress passed the words which are now found in the amendment in lieu of that proposed amendment.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from California?

Mr. OVERMAN. I yield.

Mr. SHORTRIDGE. I am listening with great respect and great interest to the argument of the Senator from North Carolina, and I hope he will not assume, as he goes on, that I yield assent to his position because I do not immediately interrupt him. I think it much better to remain silent until the Senator finishes; but I hope to have an opportunity to take up and respectfully make answer to some propositions which he is now stating.

Mr. OVERMAN. I understand that, Mr. President; it is always understood among Senators that that is so.

Before I get to the constitutional question again I want to state this fact: Only a few weeks ago a gentleman from Connecticut, a Northern State, and his sweet little wife and baby were traveling from Florida with a camping outfit and stopped at a little neighborhood place, and while sleeping there two brutes, negroes, went into the camp, shot the poor man, and both of them raped the woman.

Of course, the citizens were aroused that a stranger should come into their State and be treated so outrageously by these colored brutes, and more than a hundred men, prominent citizens, rose up, determined to lynch those negroes. They were aroused by the same passion I was talking about awhile ago. If a southern man, if a man from North Carolina, had gone with his dear wife and little baby and camped out in a little Connecticut town, and two brutes had come out from the bushes and shot the man down, and both of them raped the woman, I was wondering what the people of Connecticut would have done. Would they not have done just as the people of North Carolina did? Inflamed and aroused by such a horrible thing, they would have risen up, in California, in Iowa, or anywhere else where there is a red-blooded Anglo-Saxon white man living, and there would have been that same feeling of indignation and madness.

The sheriff got hold of the men before the crowd did; he jumped in a high-powered Packard machine and beat the mob to the penitentiary, some 75 miles away. Those men were not lynched but were afterwards hanged. I am just showing what men's passions are, and what will arouse them anywhere in the United States.

I saw in the papers that a little girl 13 years old, a beautiful child, was going along a country road, and a brute jerked her into the bushes, ravished her, cut her throat, and left her for dead. If a brown man in California had taken one of the little girls of that State out in the bushes and cut her throat and ravished her, I wonder what the red-blooded citizens, the brave people of California, would have done. They would have done just as the people did in the case I have cited.

So, Mr. President, I say you can not correct these things by legislation. It is in the man; it is in the human mind. The passions are such that you can not stop it. You can not stop it by a Federal court, you can not stop it by bayonets, you can not stop it in any way. What good will this bill do if it shall become a law? Let us look at that before I go on to the other question.

What is proposed to be accomplished by the measure? I asked the Senator from California [Mr. SHORTRIDGE] the other day if he could cite me to a single State in the Union that had not passed laws against lynching. He could not. Every State has done it. Why, Mr. President, in my State whenever a lynching occurs the judge and the district attorney go to the spot, and they investigate it. The judge issues bench warrants immediately and tries to find the guilty men. Could the Federal court do any more? Suppose the Federal court is given jurisdiction; the Federal court meets only once every six months. A juror is a juror whether he is in the State court or in the Federal court. The grand jury in the Federal court will have the matter under consideration some five or six months after it happens, and what will they do? They will do just like a grand jury in a State court. What would the petit jury do in the Federal court? It would do just like the petit jury in the State court.

What are you going to accomplish by this measure? Do you want to frighten our people and make them hate the Federal court? Do you want to let the colored man know that he has a license to commit these crimes? What is the purpose of it? What is your purpose? Certainly nothing can be accomplished by the Federal court that can not be accomplished by the State court. No man dares say the States have not done all in their power to stop it. No man dares say there is not as much indignation among the southern people as among the northern people. No man will state we have not done everything in every way possible to correct it. It is madness, it is lunacy, it is crazy men who do it, and it can not be corrected by giving the Federal court jurisdiction.

I want some one to tell me what the purpose of the bill is, what good it will do, what it can accomplish, what can be accomplished through the Federal court if the State court can not accomplish anything? In the lynching case about which I have spoken one of the lynchers was killed at the jail door by the sheriff and one was arrested and put in the penitentiary. What could the Federal court do more than the State court did? What can be accomplished by the bill?

We have one remarkable case that comes from Alabama, the lynching case known as the Riggins case, about which we have heard so much. I shall read from the text in that case, so we can know exactly the facts in the case. In its various branches the case has gone to the Supreme Court several times. I read:

Each of the counts alleges, in substance, that Maples, a citizen of the United States, was, at the time of his murder, lawfully confined by the sheriff of Madison County, State of Alabama, in the jail thereof, to answer the charge of murder under the laws of the State of Alabama; and that the sheriff and a detachment of the Alabama



National Guard, which he had summoned to his assistance, were endeavoring to safely keep Maples. To prevent the conspirators from hanging him, that he might have a trial according to law; and that the conspirators, in the city of Huntsville, within the jurisdiction of the court, went upon the highways and streets of the city of Huntsville on September 7, 1904, and murdered Maples by hanging him by the neck until he was dead, in order to prevent his enjoyment of the rights and privileges named in the several counts. Some of the counts allege that Maples was a negro citizen, and the conspirators who formed the conspiracy and committed the murder were white men, and that they were moved to the conspiracy and acts done in pursuance thereof, because Maples was a negro, with the intention, on that account, to deprive him of the rights, privileges, and immunities specified in the counts. All the counts allege that the conspiracy and acts done in furtherance of it were "to injure, oppress, threaten, and intimidate" Maples in the enjoyment of a right, privilege, or immunity "secured to him by the Constitution and laws of the United States," specified, respectively, in the counts as follows: (1) The right, privilege, and immunity secured to him under the Constitution and laws of the State of Alabama to be tried by due process of law, and acquitted, if innocent, and punished, if found guilty, in the courts of the State of Alabama. (2) The right, privilege, and immunity to have the State of Alabama, acting by and through its officers, to afford him a trial by due process of law, and to be held harmless if innocent, and to be punished if guilty, only after trial in the courts, upon accusation of crime preferred against him, when he was in the custody of the officers of the law of the State of Alabama (134 Federal Reporter, 404, 405).

Without reading further, I want to say that before the bill is enacted into law I shall be prepared to read a good deal from the law books. I may not have the vigor and the intellect of my friend from Utah [Mr. Smoot]. I do not think I shall try to speak all night as he did in as remarkable a performance as I ever saw in this Chamber. He did not read a word, and the most remarkable thing about it was that he stuck to his subject. It was the most remarkable performance I ever knew of, a man speaking from sundown until dawn without reading from a book or anything else, and all the time sticking to his subject. It was the greatest performance I ever saw in my life. He was filibustering. He admits it. He was speaking against time. He admits it. He will not criticize us for this filibuster, I know. He has not done it and he will not do it.

But I want good men like the Senator from Utah, in the face of what Judge Cooley and other writers say, to remember the time when he took his oath here in the Senate. He believed in the sacredness of that oath, and I know it. I shall be very much surprised if the Senator from Utah votes for the bill. I do not believe he will do it. Other Senators will not do it when they learn what the Supreme Court has said upon this great question.

In the case to which I have referred not only the sheriff but the military was called. The military could not stop it. The sheriff could not stop it. Neither could they have stopped it if the Federal court had had jurisdiction and been there. That brings me back to my question. What will the Federal court do about it? Does anyone suppose, if they go on lynching where the district attorney is present, that our people will stop because the Federal court may have jurisdiction in the matter? The Federal court can call out the military, and an army may be sent down there as was done in 1868 and 1869. But who was sent down there? Most of them were western soldiers, kindly, patriotic men, who carried the bayonet down there, but they sympathized with our people, and those laws could not be enforced with the army that was sent down there, because the army sympathized with us. That is one reason why we repealed all such provisions of the law.

There was another branch of this very remarkable lynching case brought before the Supreme Court in which the question of the fourteenth amendment arose, and the Supreme Court discharged the men because they had no jurisdiction. Then came another one of the lynchings whose name was Powers. Judge Jones, of Alabama, a very great judge and a very great lawyer, concluded that the men were within both the amendments. He made the same argument that is made here by the Senator from California, and the very same argument that will be made here by other Senators, because he laid down their side of the case. He did not decide the case against the State. However, he gave his views, and he made the argument hoping that he would get the Supreme Court to reverse his decision. He said in his opinion that he was bound by the question decided in the Hodges case, and therefore he decided against the Government, but at the same time argued the question very ably, as ably as anybody could do, on the side proposed by the Senator from California and others. But what did the Supreme Court do? The district attorney appealed the case from the Federal court in the State of Alabama to the Supreme Court of the United States. In making up the appeal the district attorney included in the papers sent to the Supreme Court the argument made by Judge Jones. He set out in full the great argument made by Judge Jones on this

question. The case came to the Supreme Court, and what did the Supreme Court do? Why, Mr. President, they treated it absolutely with contempt, as I shall show. When the case came up on appeal from Judge Jones's decision, the defendant did not have a representative in court; nobody representing him at all. The Attorney General appeared for the Government and Assistant Attorney General Fowler also appeared for the Government. There were no briefs filed for the defendant at all.

What did the Supreme Court do? Strange to say, after hearing the Attorney General, after hearing Assistant Attorney General Fowler, after reading Judge Jones's decision in the case, they merely said:

Judgment is affirmed on the authority of *Hodges v. United States* (203 U. S.).

The Supreme Court did not even consider the matter because they had already decided the question in the Hodges case.

Now, the Attorney General and the Assistant Attorney General came up with this great opinion rendered in the case by the trial judge, the defendants were not even represented, and yet the Supreme Court per curiam gave the decision instead of writing an opinion. Then came the Hodges case, in which the opinion was delivered by Mr. Justice Brewer, one of the greatest judges that ever sat on that bench. It would take some time to read the entire opinion, but Justice Brewer went into the question fully as to both the thirteenth and fourteenth amendments. Justice Brewer said:

That prior to the three post bellum amendments to the Constitution the National Government had no jurisdiction over a wrong like that charged in this indictment is conceded; that the fourteenth and fifteenth amendments do not justify the legislation is also beyond dispute, for they, as repeatedly held, are restrictions upon State action, and no action on the part of the State is complained of. Unless, therefore, the thirteenth amendment vests in the Nation the jurisdiction claimed the remedy must be sought through State action and in State tribunals subject to the supervision of this court by writ of error in proper cases.

In the *Slaughterhouse* cases (16 Wall. 36, 76), in defining the privileges and immunities of citizens of the several States, this is quoted from the opinion of Mr. Justice Washington in *Corfield v. Coryell* (4 Wash. Cir. Ct. 371, 380):

"The inquiry," he says, "is what are the privileges and immunities of citizens of the several States? We feel no hesitation in confining these expressions to those privileges and immunities which are, in their nature, fundamental; which belong, of right, to the citizens of all free governments; and which have at all times been enjoyed by citizens of the several States which compose this Union from the time of their becoming free, independent, and sovereign. What these fundamental principles are it would be more tedious than difficult to enumerate. They may, however, be all comprehended under the following general heads: Protection by the Government, the enjoyment of life and liberty, with the right to acquire and possess property of every kind, and to pursue and obtain happiness and safety; subject, nevertheless, to such restraints as the Government may prescribe for the general good of the whole."

And after referring to other cases this court added (p. 77): "It would be the vainest show of learning to attempt to prove by citations of authority that up to the adoption of the recent amendments no claim or pretense was set up that those rights depended on the Federal Government for their existence or protection beyond the very few express limitations which the Federal Constitution imposed upon the States, such, for instance, as the prohibition against ex post facto laws, bills of attainder, and laws impairing the obligation of contracts. But with the exception of these and a few other restrictions the entire domain of the privileges and immunities of citizens of the States as above defined lay within the constitutional and legislative power of the States and without that of the Federal Government."

Notwithstanding the adoption of these three amendments, the National Government still remains one of enumerated powers, and the tenth amendment, which reads, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people," is not shorn of its vitality. (203 U. S. Repts. 1-14.)

In passing, I desire here to say that I am proud of my State of North Carolina. That State did not go into the Union at the same time that the other States did. George Washington was elected President, but North Carolina was not in the Union. Why? Because the people of North Carolina were jealous of their rights—local self-government—and of the rights of her people. They did not go into the Union until the 10 amendments had been adopted to the Federal Constitution. It was not until November 21, 1789, that North Carolina ratified the Constitution. The tenth amendment to the Constitution provides:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Our claim is that there has been no delegation of power in the Constitution to the General Government to justify the passage of such a bill as this. No such power has been given to the General Government. My argument has been made to prove that. At the time of the adoption of the fourteenth amendment to the Constitution, when an amendment was offered to it in this body proposing to grant to the General Gov-



ernment the power contemplated by the pending bill, it was opposed even by Thad Stevens, and Congress voted it down; Congress would not even consider it. That action ought to be conclusive so far as the pending bill is concerned.

Mr. SHORTRIDGE. Mr. President—

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from North Carolina yield to the Senator from California?

Mr. OVERMAN. I yield.

Mr. SHORTRIDGE. I am assuming that the Senator from North Carolina has not forgotten that his State—in which State, by the by, my grandfather was born—

Mr. OVERMAN. That is why the Senator from California has such good blood in his veins.

Mr. SHORTRIDGE. That North Carolina, which now, speaking through its great Senator, takes its stand behind the fourteenth amendment, rejected the fourteenth amendment with scorn and defiance when it was first proposed, and that it cast in its legislature but 11 votes in favor of the ratification of the amendment.

Mr. OVERMAN. I recollect that Indiana and New York and Ohio all rejected that amendment. The fact is that Francis P. Blair stood upon the floor of the Senate and stated that the fourteenth amendment was adopted by fraud and by force; by force used on the Southern States, because those States were then in the hands of the Union Army; and by fraud, because as to other States, after the amendment had been adopted by the legislatures which were then in existence, legislatures which met shortly afterwards repudiated what the previous legislatures had done and took contrary action; but the Supreme Court held that the amendment having already been adopted by those States such action could not be rescinded.

Mr. SHORTRIDGE. If the Senator will pardon me, the point I am making—if it be a point—is that the State of North Carolina, which has been very jealous of the liberties of its people, and rightly so, in point of historic truth, at first refused to ratify the fourteenth amendment, though that State later ratified the amendment and by means that I purpose to explain.

Mr. OVERMAN. The Senator from California states the history of the matter correctly; but I wish to say to him that other States of the North and of the West took the same action as did North Carolina but tried subsequently to repudiate it. Indiana, for example, did so. The Senator from California knows the history of those times. Subsequent legislatures passed acts stating that the action by preceding legislatures was not expressive of the wishes of the States, and that they would rescind such action; but the Supreme Court decided that such action once taken and the amendment once adopted could not be repudiated.

So far as this matter is concerned, I repeat, North Carolina was the last State to go into the Union.

Mr. SHORTRIDGE. If the Senator will pardon me, I did not wish to single out North Carolina and to put any stigma on her; I did not mean it in that sense; but it might be well here for the record to cite the action of certain Southern States, because it has a bearing, I think, ultimately upon the fourteenth amendment, what the fourteenth amendment was, what it attempted to accomplish, and what it did accomplish; namely, the fourteenth amendment historically and legally made citizens out of the negroes of America. In the legislatures of Louisiana, Mississippi, and Florida the fourteenth amendment did not receive a single vote; in South Carolina it received only 1 vote; in Virginia only 1 vote; in Texas it received only 5 votes; in Arkansas it received but 2 votes; in Alabama it received 10 votes; in North Carolina it received 11 votes; and in Georgia it received only 2 votes. That is the record.

Mr. OVERMAN. The Senator from California reads the record, and I have no doubt about it; I do not dispute the record. I am glad the Senator has quoted it. The Senator is familiar with the conditions prevailing in those days; but I am here to say to the Senator—and he knows it—that many people believe that the fourteenth amendment was never legally adopted by anything like three-fourths of the States.

Mr. SHORTRIDGE. But, of course, the true theory was, as held, that the Southern States had never succeeded in getting out of the Union, and, therefore, it was necessary to count them in getting three-fourths of the States in order to ratify the amendment.

Mr. OVERMAN. The Supreme Court held that those States were always in the Union.

Mr. SHORTRIDGE. Certainly, and therefore that they had to be consulted in the matter of ratifying the fourteenth amendment.

Mr. OVERMAN. Yes.

Mr. SHORTRIDGE. But when that amendment was first proposed, what I have read was the record of the then existing legislatures of those several States.

Mr. OVERMAN. I again state that Francis P. Blair, of Missouri, standing right where I am now standing, charged upon the floor of this body that the fourteenth amendment was adopted by fraud and force; force which was exercised by the General Government against the Southern States, because those States had just emerged from the war and were under the control of the Union Army; fraud, because such States as Indiana, and, I think, also Ohio and New York, had rushed the adoption of the fourteenth amendment through the then existing legislatures, although the people had held an election and elected new legislatures upon that question, and notwithstanding the amendment had been adopted by the preceding legislatures, the new legislatures when they met repudiated the action of their predecessors and refused to adopt the amendment. As I stated a moment ago, however, the Supreme Court set aside the action of the subsequent legislatures and stated that they could not repudiate an amendment after it had once been ratified. That is the history of the ratification of that amendment. But, Mr. President, this is far afield from the line of discussion I intended to pursue. I merely mention it in passing to show what North Carolina did when the Constitution was adopted and the attitude she took as to the reserved powers of the States.

I wish also in passing to refer to the fact that North Carolina was the last State to go out of the Union. When the question of secession was first submitted to her legislature in February she voted against it, and it was not until Abraham Lincoln, who put in his Cabinet a North Carolinian, John A. Gilmer, called for 75,000 troops to fight her southern neighbors that North Carolina went out of the Union; but after she had seceded in the war which followed she lost 40 per cent of her population. At that time there were in the State only 112,000 voters, but North Carolina furnished 126,000 brave soldiers to fight for southern rights.

Mr. President, I am reminded here of what the late Senator Foraker, of Ohio, told me sitting in this Chamber. He said while he was coming through North Carolina with Sherman's army, which had been burning the houses of citizens in South Carolina, a great many men came out from time to time, claimed that they were Union men, and asked protection. Mr. Foraker went on to say that he saw standing in front of his country home an old man who looked to be about 80 years old. General Slocum, on whose staff Mr. Foraker was serving, said "Foraker, yonder is another one of those 'Union' men. I will ride up and see." He rode up and said, "My friend, you were a secessionist, were you not?" The old man replied, "No; I was not a secessionist; I thought our troubles ought to have been settled without war, and I voted against secession." Then he was asked, "You are a Union man?" Mr. Foraker said the old man seemed to rise up 2 feet; fire came into his eyes, and he said, "Union man; no, sir; when my State went out of the Union I went with her; two of my boys to-day are fighting in her behalf, and I honor them and stand by them. I am a damned rebel; that is what I am—a damned rebel."

Slocum said, "Foraker, put a guard over that man's property; protect it; he is a brave man and he is telling the truth." That old man, who was of Scotch descent, told the truth about his position. He was against the war, but when his State went out of the Union he believed his first duty was to his State, as did other citizens of the South and as they were taught under the Constitution, and so he went with her.

That is also very far afield from the question which the Senator from California and I were discussing, but I am proud of my State and I thought I would relate here upon the floor a little history that is not known.

Mr. President, I desire to refer again to the Hodges case. I have not much time and I do not wish to interfere with the ceremonies which are to take place a little later.

Mr. SHORTRIDGE. From what volume is the Senator reading?

Mr. OVERMAN. I am reading from the Hodges case.

Mr. SHORTRIDGE. I am familiar with the case, but from what volume is the Senator reading?

Mr. OVERMAN. The case is found in 203 Supreme Court Reports, and I have been reading from pages 16, 17, and so forth. I read further from that case:

One thing more: At the close of the Civil War, when the problem of the emancipated slaves was before the Nation, it might have left them in a condition of alienage, or established them as wards of the Government like the Indian tribes, and thus retained for the Nation jurisdiction over them, or it might, as it did, give them citizenship. It chose the latter. By the fourteenth amendment it made citizens of all born within the limits of the United States and subject to its



jurisdiction. By the fifteenth it prohibited any State from denying the right of suffrage on account of race, color, or previous condition of servitude, and by the thirteenth it forbade slavery or involuntary servitude anywhere within the limits of the land. Whether this was or was not the wiser way to deal with the great problem is not a matter for the courts to consider.

Mr. FLETCHER. Mr. President, did the Senator say that he was reading from the case reported in Two hundred and third United States, at page 1?

Mr. OVERMAN. I am reading from page 20.

Mr. FLETCHER. The decision begins on page 1, I think.

Mr. OVERMAN. Yes. I continue the quotation:

It is for us to accept the decision, which declined to constitute them wards of the Nation or leave them in a condition of alienage where they would be subject to the jurisdiction of Congress, but gave them citizenship, doubtless believing that thereby in the long run their best interests would be subserved, they taking their chances with other citizens in the States where they should make their homes.

That, Mr. President, was not the point which I wish to bring out. However, the court in this case stated that the fourteenth amendment did not fetter or hinder in any way the States or deprive them of their police powers; that it did not enlarge the Constitution but was a prohibition upon the States passing discriminatory laws in favor of the white man and against the black man. That is what Mr. Stevens said. That is what Congress said at the time—that they had no intention of depriving the State of any of its rights or police powers or of giving Congress the right to legislate in favor of one class and against another.

Mr. FLETCHER. Mr. President, may I interrupt the Senator to inquire whether he has referred to the case of United States v. Harris (106 U. S. 629)? That seems to be directly in point on this question.

Mr. OVERMAN. Yes; I have that case before me now. That was another lynching case, as I recollect. It came up from Tennessee. That was a case in which the court especially referred to the fourteenth amendment in this language:

The purpose and effect of the two sections of the fourteenth amendment above quoted were clearly defined by Mr. Justice Bradley in the case of United States v. Cruikshank (1 Woods, 308), as follows: "It is a guaranty of protection against the acts of the State government itself. It is a guaranty against the exertion of arbitrary and tyrannical power on the part of the government and legislature of the State, not a guaranty against the commission of individual offenses."

The court decides that the fourteenth amendment does not have anything to do with individuals; it deals only with the State itself and is a prohibition against the State exercising its discriminatory powers against the colored man in favor of the white man—

"and the power of Congress, whether express or implied, to legislate for the enforcement of such a guaranty does not extend"—

Listen—

"does not extend to the passage of laws for the suppression of crime within the States."

I will say to the Senator from California that the Supreme Court in this case exactly carries out what appears in the record of Congress, that this does not extend in any way to the right to give Congress the power to legislate against individuals.

"And the power of Congress, whether express or implied, to legislate for the enforcement of such a guaranty does not extend to the passage of laws for the suppression of crime within the States. The enforcement of the guaranty does not require or authorize Congress to perform the duty that the guaranty itself supposes it to be the duty of the State to perform and which it requires the State to perform."

Every State thinks it is its duty to protect the individual citizen, whether he be white or black, brown or yellow. It gives them all the same protection.

The Senator from California answered this question to me the other day. He said his argument is all based upon the fact that the States have not done their duty in protecting the colored race. It is all based upon that. Therefore he is assuming a fact. It is not right to assume a fact.

Mr. SHORTRIDGE. No, Mr. President, with the Senator's permission; that is not my position. I forget color entirely in this argument. My position was and is that it is where and only where the State either affirmatively or negatively by non-action has deprived any man, white or black, native or naturalized, of his rights to life or to liberty or to property, or has affirmatively or negatively by indifference, neglect, or failure to enforce law denied to him the equal protection of the laws, then it is that the Nation may step in, and should step in, and protect him by punishing those who have violated his constitutional rights. That is my position.

Mr. OVERMAN. I am glad the Senator has made that statement, because I did not make it as clearly as he has.

Mr. SHORTRIDGE. That is, and always has been, my position.

Mr. OVERMAN. Therefore, in making that argument the Senator is bound to assume that some State, by action or non-action, has failed in its duty to protect one citizen against another.

Mr. SHORTRIDGE. It is conceivable that the State might enact laws as against certain offenses, calling them crimes, and then fail to execute the laws; or, as in the case of California, where the municipality of San Francisco passed a certain laundry ordinance, upon the face of that ordinance it was equal and fair and applicable to all, but, as the Supreme Court of the United States said, looking through form to substance, it was seen that the ordinance was designed to operate against one class only, and was not made applicable to all, wherefore the Supreme Court of the United States held the ordinance void.

Mr. OVERMAN. Can the Senator show me or point me to a single act of a single Southern State or any other State that has passed or failed to pass any act whereby its citizens, white or black, brown or yellow, were deprived of protection by action or nonaction? Can he show me anything of that sort? If so, then his argument is good, though not from a constitutional standpoint; it is bad so far as the Constitution is concerned; but the Senator's argument must be based upon an admitted fact or a proved fact.

Mr. SHORTRIDGE. Certainly.

Mr. OVERMAN. Now, the Senator admitting that, I want him to show me and to tell me, if he can, where any State, by action or nonaction, has deprived any citizen of his right to life, liberty, or property?

Mr. SHORTRIDGE. I will endeavor to do so; but may I throw out this idea right here: I do not look upon the Federal Government as an alien thing, as a foreign force. I look upon the Federal Government as being as friendly toward me, as friendly toward my State and yours, as the State government. I do not regard legislation of this kind as hostile, or in design hostile, to a given State or to the people of a given State. I have said, and have repeated, that so far as I am concerned I look upon legislation of this character as in aid of, in cooperation with, the good people of each and every State; and I personally feel in a sense grieved that Senators appear to look upon legislation of this kind as hostile to a given State; wherefore they invoke the powers of the States, and discuss the police power and the reserved rights of the States and the limited delegated powers of the Federal Government.

I grant that the Constitution of the United States is a delegation of power; I grant that the State constitutions are reservations of power; but what I think, and what I trust some day we will all agree upon, is this: That we have one country, made up of 48 States, and that whether Congress, here sitting, is speaking for the Nation, or a legislature in North Carolina is speaking, both are speaking for the benefit not of the State as such, as an entity, but for all the people of Nation and State.

When the Senator argues that this proposed legislation would be abortive, that it would accomplish no good, that it could not be enforced, and that, if enforced, it would cause more harm than good, I listen with the utmost attention.

Mr. OVERMAN. I am satisfied the Senator would.

Mr. SHORTRIDGE. I would, because my purpose, speaking for myself, is to help not only the individual who might be assailed or deprived of life or liberty without due process of law, but to help the people of the States; for I can not believe that any State or the representative of any State approves of lynching. We must stand as adamant against that monstrous proposition, or else we have reverted to barbarism, and we invite the overturning of our courts and our laws, our very civilization. We must all stand up for the law and the institutions of our country.

Mr. OVERMAN. We all agree with the Senator in that respect; but the trouble about the Senator is that he does not understand this question, probably, and he knows, if he has heard what is going on in these corridors, that this legislation was really promoted by and the propaganda was for the Negro race in the South. That is understood. It was to hold the negro vote in the next election.

Mr. SHORTRIDGE. That does not operate with me.

Mr. OVERMAN. I know it does not.

Mr. SHORTRIDGE. It does not.

Mr. OVERMAN. I know. I say I do not agree with the Senator's position, but the Senator knows that, too.

Mr. SHORTRIDGE. No; I do not.

Mr. OVERMAN. At least, the Senator has heard that.

Mr. SHORTRIDGE. I do not admit that to be true. If an evil exists in my State, I would have it cured.

Mr. OVERMAN. North Carolinians and Californians all love their Government, and want to stand by the Government, and want to treat everybody alike, and that is all we are



asking—that California stand by us. Why, I remember that the California Senators, when they had their great social question to deal with in their own State, stood by the South, if you may call it such, in their great problem, and helped us out; and although I admit that the Senator is a patriotic, brave man, a great speaker, eloquent and able, I was a little bit surprised when the Senator from California did not follow the lead of his great predecessors here when they sympathized with us and took part with us. They would have been here aiding in defeating the force bill, aiding in defeating this bill, because they believed, as the Senator does, that we are all one great people, loving the Union and wanting to do right by every man and every citizen, white and black, and to see that they all have the same rights and privileges in their person, in their property, and in their liberty.

Mr. FLETCHER. Mr. President, may I suggest to the Senator from California this thought further than what the Senator from North Carolina has said: The Senator from California bases the theory of this bill upon the proposition that the States have failed or neglected to enforce their laws, and therefore the Federal Government must come in to help them out in that situation. Now, for what purpose? What is the ultimate aim and object of the bill? It is to prevent the commission of certain crimes within the States; namely, the crime of lynching. That is the purpose of the bill, and that is the object of it. In the decision which the Senator from North Carolina has just read—United States against Harris—the Supreme Court lays down the proposition broadly, and holds clearly and expressly that the fourteenth amendment does not give to Congress the authority or the power or the right to legislate with respect to the commission of crimes in the States. That is the ultimate principle we reach; and the Supreme Court has decided definitely and clearly in that case that Congress has no power to pass legislation for the purpose of suppressing crime within the States. That is a State function, and that is one of the reserved rights of the States.

Mr. OVERMAN. Before the Senator from California begins his answer, may I say—

Mr. SHORTRIDGE. Yes; it would take me too long to answer that question in a word. I hope to analyze the Harris case later on.

Mr. OVERMAN. Let me say that I asked the Senator a question, and he has not answered it. He spoke for 10 minutes and very ably, but he did not answer it.

Mr. SHORTRIDGE. I did not? I beg the Senator's pardon. What was the question?

Mr. OVERMAN. I want to know if any State in the South, in the North, in the East, or in the West has failed in any of its duties to its citizens by action or by nonaction?

Mr. SHORTRIDGE. I think I can answer that, and I shall answer it, though I shall be very sorry to lay upon the record here the facts in respect to the enforcement of the laws against lynching in the several States. I will be sorry to do it.

Mr. OVERMAN. I do not blame the Senator. Let him do it.

Mr. SHORTRIDGE. Because I am a friend of the States.

Mr. OVERMAN. The Senator does not understand my question. Suppose there have been many lynchings, as there have been, as we all know, thousands of them—

Mr. SHORTRIDGE. There have been.

Mr. OVERMAN. I want to know, notwithstanding that fact, if it is a fact, if any State in this Union, South, North, East, or West, has ever by nonaction or by action deprived any man, black or white, of his rights as a citizen, in his person, his property, or his liberty?

Mr. SHORTRIDGE. I think so, in hundreds and thousands of cases; and when I say that, I wish to be understood as saying and meaning, I think there have been monstrous crimes committed, which we will call lynchings, and that there has been no punishment of those guilty of those crimes. Answering the Senator's question directly, I have said, and I repeat, that even though the laws of a given State may denounce lynching, the State laws have not been enforced, and the men guilty have not been punished, and there have not been that diligence, that apprehension, that pursuit, that prosecution, that conviction, that punishment which ought to have occurred.

Mr. OVERMAN. I do not think the Senator can show that.

Mr. SHORTRIDGE. I think I can show it.

Mr. OVERMAN. The Senator can show in his own State and every State of this Union, in Illinois, in Indiana—

Mr. SHORTRIDGE. Truly, it is not confined to one State.

Mr. OVERMAN. In fact, speaking of some of these States, Indiana and Illinois, when a mad mob is aroused—and they do get mad and you can not control them—there is this difference between the man of the North and the man of the South—

Mr. SHORTRIDGE. We are of one blood, cavalier and Puritan. We are not so different.

Mr. OVERMAN. We in the South like the colored man. When a brutal crime is committed by a colored man, we try him, or may lynch him. In some Northern States they do not lynch the man who commits the crime; they kill every man they see who has a black skin.

Mr. CURTIS. Mr. President—  
The PRESIDING OFFICER (Mr. New in the chair). Does the Senator from North Carolina yield to the Senator from Kansas?

Mr. OVERMAN. I yield.

#### ORDER FOR RECESS.

Mr. CURTIS. If the Senator will yield, I would like to submit a unanimous-consent agreement before I ask for a quorum in order that we may attend the funeral services in the House. I ask unanimous consent that when the Senate adjourns today it adjourn to meet at 10 o'clock Monday morning next.

Mr. UNDERWOOD. With the understanding that when we return from the funeral services the Senator will ask for a recess immediately, I do not object.

Mr. CURTIS. I said an adjournment, but we could take a recess and probably save time.

Mr. UNDERWOOD. With the Journal of yesterday's proceedings pending, I have no objection to taking a recess when we come back from the Hall of the House.

Mr. CURTIS. Then, when we return from the House, it is understood that there will be a recess taken until 10 o'clock Monday morning. I ask that by unanimous consent that order be made.

Mr. OVERMAN. I would like to finish my argument, because I have a great many authorities here to show that the Dyer bill is unconstitutional and is a flagrant invasion of the Constitution; but, of course, I yield for the unanimous-consent agreement and the further proceedings, hoping that at some future time I may have an opportunity to conclude my argument.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that when the Senate concludes its business today, it take a recess until 10 o'clock Monday morning. In the absence of objection, it is so ordered.

#### CALL OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Brandegee	Harris	New	Shortridge
Brookhart	Harrison	Norbeck	Smoot
Broussard	Heflin	Norris	Spencer
Cameron	Jones, N. Mex.	Overman	Sterling
Capper	Jones, Wash.	Page	Sutherland
Caraway	Kellogg	Pepper	Townsend
Curtis	Lodge	Phipps	Underwood
Fernald	McKellar	Pomerene	Walsh, Mont.
Fletcher	McKinley	Ransdell	Warren
George	McLean	Reed, Mo.	Watson
Glass	McNary	Reed, Pa.	Willis
Gooding	Myers	Robinson	
Harrell	Nelson	Sheppard	

The PRESIDING OFFICER. Fifty Senators having answered to their names, a quorum is present.

#### FUNERAL OF REPRESENTATIVE JAMES R. MANN.

Mr. LODGE. Mr. President, I move that the Senate take a recess to fulfill its acceptance of the invitation of the House to be present at the funeral of Representative MANN.

The motion was agreed to.

The PRESIDING OFFICER. The Senate stands in recess, in accordance with the motion just carried, to attend the funeral of the late Representative MANN.

The Senate, preceded by the Sergeant at Arms, the Vice President, and the Secretary, proceeded to the Hall of the House of Representatives.

The Senate returned to its Chamber at 2 o'clock and 45 minutes p. m., and the Vice President resumed the chair.

#### RECESS.

Mr. LODGE. I move that the Senate take a recess, as heretofore ordered, until 10 o'clock on Monday next.

The motion was agreed to; and the Senate (at 2 o'clock and 45 minutes p. m.) took a recess, the recess being, under the order previously made, until Monday, December 4, 1922, at 10 o'clock a. m.



## HOUSE OF REPRESENTATIVES.

SATURDAY, December 2, 1922.

The House met at 1 o'clock and 30 minutes p. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Lord, Thou art infinite in wisdom and in love and far too wonderful for human understanding; yet there are none so wounded but can be cured by Thy touch. Thou dost heal the broken heart and bind up with many balm the toiling hands of mortals. In our disappointments, in our sorrows, and through our tears may we behold the cross on which is the heart-break of the world's Savior and the Father's message to the children of men. O be with all weary feet and with the travelers of the night and keep them until they reach the hilltop of eternity's morning. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed the following resolution:

## Senate Resolution 370.

*Resolved*, That the Senate had heard with profound sorrow the announcement of the death of the Hon. JAMES R. MANN, late a Representative from the State of Illinois.

*Resolved*, That a committee of nine Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

*Resolved*, That as a further mark of respect to the memory of the late Representative MANN, the Senate do now adjourn.

And that, in accordance with the foregoing resolution, the President pro tempore had appointed Mr. MCKINLEY, Mr. BALL, Mr. CAMERON, Mr. GLASS, Mr. HARRELD, Mr. LENROOT, Mr. POMERENE, Mr. WATSON, and Mr. WILLIS as members of the committee on the part of the Senate.

The message also announced that the Senate had passed the following resolution:

*Resolved*, That the Senate accept the invitation of the House of Representatives to attend in a body at 2 o'clock to-morrow the funeral of Hon. JAMES R. MANN.

## RECESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the House stand in recess subject to the call of the Chair.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the House stand in recess subject to the call of the Chair. Is there objection?

There was no objection.

Accordingly (at 1 o'clock and 34 minutes p. m.) the House stood in recess.

## FUNERAL OF THE LATE REPRESENTATIVE JAMES R. MANN.

At 2 o'clock p. m. the Vice President and Members of the Senate entered the Chamber and occupied the seats assigned to them, the Vice President occupying a seat at the Speaker's desk.

Then came members of the diplomatic corps, the Chief Justice and Justices of the Supreme Court, representatives from the Army and the Navy, and the President of the United States with members of his Cabinet.

The body of the late Mr. MANN lay in state in the space in front of the Clerk's desk.

Rev. James E. Freeman, D. D., rector of the Church of the Epiphany, Washington, D. C., read the burial office, also from the First Epistle of Paul to the Corinthians, beginning with the twentieth verse.

The male quartet of the Church of the Epiphany sang the hymn, "Hark, Hark My Soul."

Rev. James E. Freeman, D. D., then delivered the following address:

*"Seest thou a man diligent in business? He shall stand before kings."*

Thus spake the maker of proverbs in a time remote. To-day we find striking application of it in the life service of JAMES R. MANN. In the large concerns of the State it may be said of him that he was diligent in business. It was this sterling quality that rendered him a kingly man and fit to stand unabashed and unashamed before rulers. Of him it may be truly said:

His life was gentle, and the elements  
So mixed in him that Nature might stand up  
And say to all the world: This was a man.

It is not our part to deliver in this solemn hour any extended or adequate tribute to this great citizen. Other and worthier

lips will express in this place the love and esteem in which our honored friend was held. Ours is the humbler but no less grateful task of speaking here a word that shall express the love and affection in which our friend was held by a grateful Republic. We will not let him, silent though he be at death, depart from these halls in which he was wont to play his large and important rôle without a word of high and deserved praise. For over a quarter of a century, covering the most intense and critical period in human history, JAMES R. MANN has occupied a place of useful and commanding influence in the Congress of the United States. No man will gainsay the statement that his career has been characterized by fidelity and devotion to the high aims and purposes of the country he loved, that entitle him to the favor and praise of all honest and fair-minded men. In the loftiest sense in which we may use the words, he was a true-hearted, untiring, sensitively conscientious public servant. Too frequently in the life of such men do we fail to recognize their sterling worth until death robs us of their helpful and inspiring leadership. Fitting indeed is it that in this House that witnessed to the best service of his life we should gather to-day as his friends and loyal countrymen to lay upon his casket the well-earned laurel that rightfully belongs to men of his excellent qualities. Critical as the Republic may sometimes be of those in places of public trust, we have not lost out of our national consciousness the sense of chivalry and the affectionate esteem which rightfully belong to those who give the best they have for the public good. In a time that is characterized by a too extreme and all too frequently a too ungenerous estimate of those who serve in public places, it seems proper and fitting that here in this presence to-day we should take note of those outstanding qualities and characteristics that lent to the career of this man peculiar distinction and power. I asked one of his intimate friends and colleagues yesterday what in his judgment were the supreme gifts that marked the public service of JAMES R. MANN. With serious and due reflection he answered, "Thoroughness, courage, honesty."

To our mind he named the three most essential qualities of true greatness. Men may and will differ in the heat of debate concerning policies and their interpretation, but wherever men come together, the world over, they honor those who from deep conviction play the great game of life with thoroughness, courage, and fidelity. Recognize as we will our party shibboleths and loyalties, we are compelled to pay homage to those whose lives are marked by these unchallenged gifts and graces. The world has not changed its standard of judging the worth of high-minded men, and we still hold to the old, if homely, dictum—

An honest man's the noblest work of God.

There is no place in which men may so highly exemplify their selfless devotion to great ideals as in the public service. Here, indeed, is a forum that tests the best and ultimately discloses the true and enduring qualities of character. Ours is not an age that weighs lightly the finer and nobler virtues of men. Indeed, it may with truth be said that to-day, as never before, character is the foundation of all that makes for efficient and acceptable service, and the inspiration of all that contributes to enduring greatness. Thoroughness is indispensable to any form of human service, but where that service has to do with the large concerns of the State it takes on a finer significance and importance. Here our friend excelled; here he disclosed a devotion that is rare in a world of swiftly moving currents. Punctilious and faithful in small details, he was a worthy master in the field of action where opinions are fashioned into laws.

To thoroughness he added courage—a courage that was unafraid when once the testing time came. For him there was but one open way, cost what it might to follow it; it was the open way of fidelity to a trust that he held as the representative of the people. Loyally following the dictates of his conscience, he stood before men as a chivalrous knight, fearless in attack and bold in defense. Courage with him was born of conviction. The weapons he used were employed not to gain selfish advantage but to maintain what he conceived to be a just and worthy cause. "His strength was as the strength of ten, because his heart was pure." The world loves to pay its meed of praise to the man who dares to stand firm and inflexible for what he believes is the right. It gives scant praise to him whose boisterous ways veil motives that will not bear the light of open day.

Courage that rises above self-interest and that reckons not of sacrifice is as a diadem upon the brow of him who worthily wears it. But to courage he added honesty. Thoroughness



and courage acquire greater force and power when consecrated to honesty of purpose. JAMES R. MANN sought to stand before his fellows with a character unimpeached and unimpeachable. He would not, even for political advantage, shadow a record by word or act that was questionable or unworthy of the dignity of his esteemed office.

Thus it is we stand to-day with reverence and affection to pay our poor and imperfect tribute to a noble son of the Republic. Fitly we apply to him the ancient words of the proverb writer:

Seest thou a man diligent in business? He shall stand before kings.

Worthily he lived, worthily he served; we honor him for what he was and for what he did. Shall we not believe that to him, as to the great laureate of England, these lines summed up his triumphant hope and unfailing faith:

Sunset and evening star,  
And one clear call for me!  
And may there be no moaning of the bar  
When I put out to sea,  
But such a tide as moving seems asleep,  
Too full for sound and foam,  
When that which drew from out the boundless deep  
Turns again home.  
Twilight and evening bell,  
And after that the dark!  
And may there be no sadness of farewell,  
When I embark;  
For tho' from out our bourne of Time and Place  
The flood may bear me far,  
I hope to see my Pilot face to face  
When I have crossed the bar.

Faithful and chivalrous servant of the Republic, hail and farewell!

The quartet then sang the hymn "Jerusalem the Golden," and the Chaplain, Rev. James Shera Montgomery, D. D., pronounced the following benediction:

Almighty God, our heavenly Father, we lift our eyes unto the hills from whence cometh our strength; our help cometh from the Lord. As Thy children regard us with divine mercy, Thou wilt surely hear us when we call and answer us when we pray. Look with great favor upon our Republic and more and more bring up citizens such as he to stabilize the great fundamentals of our Nation upon which it rests for its glory and for its perpetuity. Regard our citizenship with great favor.

We pray for the stricken fireside. O angel of peace, angel of love, dwell there in the measure of a rich blessing. Again we tarry here to pay our tributes of love and respect to him who has left us. Make his memory to remain as a great and beautiful affection in all our breasts. Everything passes!

At the last, O Lord, when earth's door closes, may heaven's door open and bear us up the stairway to our Father's house, and we shall go out no more forever. Through Jesus Christ our Lord. Amen.

The President of the United States with members of his Cabinet, the Chief Justice and the Justices of the Supreme Court, the representatives of the Army and the Navy, members of the diplomatic corps, and the Vice President and Members of the Senate retired from the Chamber.

#### AFTER RECESS.

The House was called to order by the Speaker at 2.59 p. m. Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the proceedings during the recess may be printed in the RECORD.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the proceedings during the recess be printed in the RECORD. Is there objection? [After a pause.] The Chair hears none.

#### ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock p. m.), under its previous order, the House adjourned to meet at 11 a. m. Monday, December 4, 1922.

## SENATE.

Monday, December 4, 1922.

(Legislative day of Saturday, December 2, 1922.)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

JOHN B. KENDRICK, a Senator from the State of Wyoming, appeared in his seat to-day.

#### CALL OF THE ROLL.

Mr. LODGE. Mr. President, I move that—

Mr. HEFLIN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The principal legislative clerk (H. A. Hopkins) called the roll, and the following Senators answered to their names:

Ashurst	George	McNary	Shortridge
Bayard	Gooding	Myers	Smoot
Brandegge	Harris	Nelson	Spencer
Brookhart	Harrison	New	Sutherland
Calder	Heflin	Norbeck	Swanson
Capper	Jones, Wash.	Norris	Townsend
Caraway	Kellogg	Overman	Trammell
Cummins	Kendrick	Page	Underwood
Curtis	Keyes	Pepper	Wadsworth
Dial	Ladd	Phipps	Walsh, Mont.
Dillingham	La Follette	Pittman	Warren
Edge	Lodge	Ransdell	Watson
Ernst	McCumber	Reed, Pa.	Weller
Fernald	McKellar	Robinson	
Fletcher	McLean	Sheppard	

Mr. CURTIS. I wish to announce that the Senator from Delaware [Mr. BALL], the Senator from Arizona [Mr. CAMERON], the Senator from Oklahoma [Mr. HARRELD], the Senator from Illinois [Mr. MCKINLEY], and the Senator from Ohio [Mr. WILLIS] are necessarily absent on the business of the Senate attending the funeral of the late Representatives JAMES R. MANN, of Illinois.

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum is present.

#### BUSINESS OF THE SENATE.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

Mr. UNDERWOOD. Pending the motion, will the Senator allow me to ask him a question?

Mr. LODGE. Certainly.

Mr. UNDERWOOD. I understand from what I have seen in the newspapers that the majority party in this Chamber have concluded to let the so-called Dyer bill go over, and if that is the understanding of the action intended by the majority party, I do not desire to make any further motion that will interfere with business. I ask the Senator from Massachusetts if that is the case?

Mr. LODGE. I stated to the newspapers that the Republican conference instructed me to say that they would not press the bill further at the coming session or at the session which is just expiring.

Mr. UNDERWOOD. That is, between now and the 4th of March?

Mr. LODGE. Between now and the 4th of March. Those were the instructions given to me and which I gave to the press.

Mr. UNDERWOOD. I wish to say that I am very glad indeed we have reached that understanding. There was no desire on my part, or on the part of those of my colleagues with whom I was acting, that we should delay the public business, but the bill is so clearly in contravention of what we regarded as a great constitutional right that we felt we were justified in going to extremes in trying to prevent its passage.

We have no apologies to offer for our fight, and we have nothing to take back in reference to what we have done. On the other hand, should the bill again appear with an effort to take it up in the Senate, we would renew the fight we have made before. Of course I do not think a fight of this kind could be justified except as a very extreme measure against a matter which we consider an invasion of a public right. I am only too glad to know that we can come to an understanding and that it will not interfere with the transaction of the public business.

Mr. LODGE. In common with the great body of my colleagues on this side of the Chamber, I believe the bill is right in principle and ought to pass; but the question before the conference was simply whether we should allow the filibuster to go on until the 4th of March with no result. The bill could not pass, as it would be impossible to change the rules now; and the conference decided that they would not press the bill further, as I stated in the public press, at the session which is now expiring or the next session.

Now, Mr. President, I submit the motion that the Senate proceed to the consideration of executive business.

Mr. JONES of Washington. Mr. President, before the motion is put will the Senator permit me to suggest that the shipping bill has not been referred to the Committee on Commerce, and it can not be printed until that is done? Would there be objection to having the bill referred now, so that it may be printed?

Mr. UNDERWOOD. I do not think there would be any objection on our part, but if we are going to transact any legislative business by unanimous consent we had better approve the Journal.

Mr. JONES of Washington. I hope we may have the bill referred before the executive session.

Mr. UNDERWOOD. I have no objection to the approval of the Journal. That can be done by unanimous consent.

Mr. LODGE. I have made the motion to proceed to the consideration of executive business.

Mr. JONES of Washington. Suppose we go into executive session and continue there until 12 o'clock, the shipping bill would not be referred to the committee. I merely ask unanimous consent that it may be referred to the Commerce Committee.

Mr. FLETCHER. The only purpose is to get the bill printed, so that we may know what it is.

#### THE JOURNAL.

Mr. LODGE. I ask unanimous consent that the Journal of the proceedings of Tuesday last and the subsequent days be approved.

The VICE PRESIDENT. Without objection the Journal of the several days will be approved. Is there objection? The Chair hears none, and it is so ordered.

#### THE MERCHANT MARINE.

Mr. JONES of Washington. Now let the shipping bill be referred.

Mr. LODGE. I ask unanimous consent that the ship subsidy bill be referred to the Committee on Commerce.

The bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

#### EXECUTIVE SESSION.

Mr. LODGE. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 25 minutes spent in executive session the doors were reopened.

#### MAIL CONTRACTS IN ALASKA.

The VICE PRESIDENT laid before the Senate a communication from the Postmaster General, transmitting, pursuant to law, copies of special contracts entered into by the Post Office Department with the Copper River & Northwestern Railway Co. for carrying the mails between Cordova and Kennekott, Alaska; with the Alaskan Engineering Commission for carrying the mails on the Government railroad in Alaska; and with the Pacific & Arctic Railway & Navigation Co. for carrying the mails between Skagway and White Pass, Alaska, which, with the accompanying papers, was referred to the Committee on Post Offices and Post Roads.

#### REPORT OF THE FEDERAL POWER COMMISSION.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, chairman of the Federal Power Commission, transmitting, pursuant to law, a report giving the aggregate number of various publications issued by said commission during the fiscal year ended June 30, 1922, with other details; a statement in detail of travel undertaken by officers of the commission to points outside the District of Columbia during the fiscal year ended June 30, 1922; and a statement showing permits and licenses issued under the Federal water power act during the fiscal year ended June 30, 1922, the parties thereto, the terms prescribed, and the moneys received during the fiscal year 1922 on account of permits and licenses, which, with the accompanying papers, was referred to the Committee on Commerce.

#### REPORT OF THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA.

The VICE PRESIDENT laid before the Senate a communication from the Board of Commissioners of the District of Columbia, transmitting, pursuant to law, a report of the official operations of the government of the District of Columbia for the fiscal year ended June 30, 1922, which was referred to the Committee on the District of Columbia.

#### COMMUNICATION FROM THE SHIPPING BOARD (S. DOC. 266).

The VICE PRESIDENT laid before the Senate a communication from the chairman of the United States Shipping Board, transmitting, pursuant to law, statement of travel performed by the officers and employees of the board during the fiscal year 1922, which was referred to the Committee on Appropriations.

Mr. NORRIS. Mr. President, with reference to the communication from the Shipping Board, I should like to inquire of the Chair whether, under the rule, it will be printed?

The VICE PRESIDENT. It can be ordered printed. The Chair thinks it would not be printed unless so ordered.

Mr. NORRIS. Does it come in response to a resolution of the Senate?

Mr. FLETCHER. I think it ought to be printed, Mr. President.

Mr. NORRIS. If it comes in response to a resolution of the Senate, I think it would be printed under the rule.

The VICE PRESIDENT. It is a very short communication.

Mr. NORRIS. What is the subject matter?

The VICE PRESIDENT. A communication from the chairman of the United States Shipping Board, transmitting, pursuant to law, a statement of travel performed by the officers and employees of the board during the fiscal year ended June 30, 1922.

Mr. NORRIS. I ask that it be printed.

The VICE PRESIDENT. Without objection, it will be printed.

Mr. NORRIS. I do not want to interfere with the reference of the report to the Committee on Appropriations, but it ought to be printed as well.

The VICE PRESIDENT. It has been so referred.

#### PETITIONS.

The VICE PRESIDENT laid before the Senate a resolution adopted by the house of delegates, American Medical Association, at the 1922 meeting in St. Louis, Mo., favoring the granting of relief from present unsatisfactory conditions relative to the use of whisky for medicinal purposes and to supply bonded whisky only at a fixed retail price established by the Government, which was referred to the Committee on the Judiciary.

Mr. PEPPER presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the prompt passage of Senate bill 1943, providing for the better protection of aliens and for the enforcement of their treaty rights, which was referred to the Committee on the Judiciary.

He also presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of Senate bill 3217, to amend and supplement the merchant marine act, 1920, and for other purposes, which was referred to the Committee on Commerce.

Mr. LADD presented petitions of Mabel M. Stromme and 21 others, of Binford; Charles F. Faust and 9 others, of Moffet; J. E. Anderson and 5 others, of Zahl; Muut Okland and 9 others, of Watford City; Olaf Roen and 9 others, of Arnegard; Baker Sassonde and 9 others, of St. John; Mrs. William A. Leben and 25 others, of Wilton; P. R. Hendrick and 9 others, of Rawson; Nels H. Peterson and 41 others, of Bowbells; Dagmar S. Nelson and 11 others, of Bremen; E. O. Kittelson and 10 others, of Dogden; Alfred A. Yoraling and 9 others, of Bottineau; John Christ and 17 others, of Wimbledon; Mrs. L. Rosenberg and 29 others, of Ryder; Mrs. Delia Klein and 29 others, of Sanborn; M. J. Hanley and 54 others, of Donnybrook; Frank Koenig and 5 others, of Juanita; Mrs. K. Jorgenson and 19 others, of Fullerton; Julius Knuth and 8 others, of Juanita; and Mrs. J. H. Jacobson and 7 others, of Lamoure, all in the State of North Dakota, praying for the enactment of legislation stabilizing the price of wheat, which were referred to the Committee on Agriculture and Forestry.

#### GRADE PERCENTAGES OF ENLISTED MEN.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 4037) to amend the grade percentages of enlisted men as prescribed in section 4b of the national defense act, as amended, reported it without amendment and submitted a report (No. 931) thereon.

#### FUNERAL EXPENSES OF THE LATE SENATOR WATSON OF GEORGIA.

Mr. CALDER. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 365, and ask unanimous consent for its present consideration.

The resolution (S. Res. 365), submitted by Mr. HARRIS November 22, 1922, was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate the actual and necessary expenses incurred by the committee in arranging for and attending the funeral of the Hon. Thomas E. Watson, late a Senator from the State of Georgia, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

#### ADDITIONAL SENATE PAGES.

Mr. CALDER. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 363, and ask unanimous consent for its present consideration.

The resolution (S. Res. 363), submitted by Mr. LODGE November 22, 1922, was read, as follows:

*Resolved*, That the Sergeant at Arms of the Senate be, and he hereby is, authorized and directed to employ five additional pages for the Senate Chamber, to serve from November 20, 1922, to March 31, 1923, and to be paid at the rate of \$2.50 per day each out of the miscellaneous items of the contingent fund of the Senate.



The Senate, by unanimous consent, proceeded to consider the resolution.

Mr. CALDER. I move to amend the resolution by striking out "March 31" and inserting "March 4."

The amendment was agreed to.

The resolution as amended was agreed to.

MARY M. BREWER.

Mr. CALDER. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 369, and ask unanimous consent for its present consideration.

The resolution (S. Res. 369), submitted by Mr. LODGE November 27, 1922, was read, as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the contingent fund of the Senate, to Mary M. Brewer, widow of Hiram H. Brewer, late foreman in the Senate folding room, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death; said sum to be considered as including funeral expenses and all other allowances.

The Senate, by unanimous consent, proceeded to consider the resolution.

Mr. CALDER. Mr. President, the resolution provides for the payment of one year's salary to the widow of this former employee of the Senate. He was with the Senate for over 30 years. He was a Civil War veteran. We have a rule which provides that in the case of death of employees who have served less than 25 years the family shall receive six months' salary. This employee served for more than 30 years.

Mr. OVERMAN. Who was he?

Mr. CALDER. Mr. Brewer, who was in the folding room for 30 years, a Civil War veteran.

Mr. LODGE. He was in the service of the Senate for 39 years.

Mr. OVERMAN. The precedent is for the payment of six months' salary.

Mr. CALDER. No; that is in case where the service was less than 25 years.

Mr. LODGE. Where the service was over 25 years we have given a year's salary.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

#### COMPENSATION AND MILEAGE OF SENATOR FELTON, OF GEORGIA.

Mr. CALDER. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably without amendment Senate Resolution 366 and ask unanimous consent for its present consideration.

The resolution (S. Res. 366), submitted by Mr. HARRIS November 22, 1922, was read, considered by unanimous consent, and agreed to, as follows:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the contingent fund of the Senate to REBECCA LATIMER FELTON \$287.67 for compensation, and \$280 as mileage, the same being amounts due her as a Senator from the State of Georgia from November 8 to November 21, 1922.

#### BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PEPPER:

A bill (S. 4077) for the relief of Adam K. Baylor; to the Committee on Claims.

A bill (S. 4078) for the relief of Adolph F. Hitchler; to the Committee on Military Affairs.

By Mr. CALDER:

A bill (S. 4079) for the relief of R. H. Macy & Co.; to the Committee on Claims.

A bill (S. 4080) for the relief of Lieut. Commander Jerome E. Morse, United States Navy, retired; to the Committee on Naval Affairs.

A bill (S. 4081) granting a pension to Eliza H. Lockwood; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 4082) to authorize the Secretary of the Interior to extend the time for payment of charges due on reclamation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

A bill (S. 4083) authorizing the submission to the Court of Claims of the claims of sundry citizens of Idaho for damages sustained by reason of the overflow of their lands in connection with the construction of the reservoir to irrigate lands belonging to the Indians on the Fort Hall Reservation in Idaho; to the Committee on Claims.

(By request):

A bill (S. 4084) to amend section 23 of the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. HARRELD:

A bill (S. 4085) for the relief of Samuel H. Butler; to the Committee on Claims.

By Mr. TOWNSEND:

A bill (S. 4086) granting a pension to James H. Seward; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4087) to relieve American Legion Post No. 86 of responsibility for certain rifles and equipment (with accompanying papers); to the Committee on Military Affairs.

By Mr. WADSWORTH:

A bill (S. 4088) conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the Steamship *San Tirso* against the United States, and for other purposes; to the Committee on Claims.

A joint resolution (S. J. Res. 250) to donate to the Veterans of Foreign Wars of the United States certain war trophies captured by or surrendered to the armed forces of the United States in the World War; to the Committee on Military Affairs.

#### RECESS.

Mr. CURTIS. Mr. President, I understand that the House is not to meet until 11 o'clock, when it will send to the Senate a resolution to adjourn the present session sine die. I move that the Senate take a recess until 11.30 o'clock to-day.

The motion was agreed to, and (at 10 o'clock and 40 minutes a. m.) the Senate took a recess until 11.30 o'clock a. m., at which time it reassembled.

#### FINAL ADJOURNMENT.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had adopted a concurrent resolution (H. Con. Res. 73) providing for the final adjournment of the third session of the Sixty-seventh Congress, in which it requested the concurrence of the Senate.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The resolution (H. Con. Res. 73) was read, as follows:

IN THE HOUSE OF REPRESENTATIVES,  
December 4, 1922.

*Resolved by the House of Representatives (the Senate concurring)*, That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 4th day of December, 1922, at 11 o'clock and 50 minutes a. m.

Mr. LODGE. I move that the Senate concur in the resolution. The concurrent resolution was considered by unanimous consent and agreed to.

Mr. LODGE. I move that the Senate take a recess until 11.48 o'clock.

The motion was agreed to, and (at 11 o'clock and 32 minutes a. m.) the Senate took a recess until 11.48 o'clock a. m., when it reassembled.

The VICE PRESIDENT. The hour of 11 o'clock and 50 minutes a. m. having arrived, pursuant to the provisions of the concurrent resolution adopted by the two Houses, the Chair declares the third session of the Sixty-seventh Congress adjourned without day.

#### NOMINATIONS.

*Executive nominations received by the Senate December 4, 1922.*

#### APPOINTMENTS IN THE ARMY.

The officers herein named, who formerly were majors but now are captains (under recess appointments) in the Regular Army, to be captains in the Regular Army, in the branches of service in which they now hold commissions or appointments, to take rank in that grade as prescribed by the act of June 30, 1922:

#### To be captains.

Capt. Isaac Gill, jr., Infantry.

Capt. John Kennard, Cavalry.

Capt. John Bellinger Thompson, Cavalry.

Capt. Hamner Huston, Infantry.

Capt. Jens Anderson Doe, Infantry.

Capt. Lester Leland Lampert, Infantry.

Capt. Charles Harrison Corlett, Infantry.

Capt. Louis Alexander Falligant, Infantry.

Capt. William Ord Ryan, Field Artillery.

Capt. William Francis Maher, Field Artillery.

Capt. Floyd Hatfield, Infantry.

Capt. Charles Lewis Clifford, Cavalry.  
 Capt. Benjamin Seymour Stocker, Infantry.  
 Capt. Oscar Otto Kuentz, Corps of Engineers.  
 Capt. Earl Landreth, Infantry.  
 Capt. William Edward Raab Covell, Corps of Engineers.  
 Capt. Joseph Dogan Arthur, jr., Corps of Engineers.  
 Capt. John Stewart Bragdon, Corps of Engineers.  
 Capt. George Jacob Richards, Corps of Engineers.  
 Capt. John Scott Smylie, Coast Artillery Corps.  
 Capt. Lehman Wellington Miller, Corps of Engineers.  
 Capt. Douglas Lafayette Weart, Corps of Engineers.  
 Capt. Earl Ewart Gesler, Corps of Engineers.  
 Capt. Edwin Alexander Bethel, Corps of Engineers.  
 Capt. John French Conklin, Corps of Engineers.  
 Capt. Alfred Laing Ganahl, Corps of Engineers.  
 Capt. John Easter Harris, Corps of Engineers.  
 Capt. William Frazer Tompkins, Corps of Engineers.  
 Capt. Douglas Hamilton Gillette, Corps of Engineers.  
 Capt. Paul Alfred Hodgson, Corps of Engineers.  
 Capt. Donald Angus Davison, Corps of Engineers.  
 Capt. Henry Spiese Aurand, Ordnance Department.  
 Capt. Thomas Bernard Larkin, Corps of Engineers.  
 Capt. Edwin Coit Kelton, Corps of Engineers.  
 Capt. James Allen Lester, Field Artillery.  
 Capt. Mason James Young, Corps of Engineers.  
 Capt. Layson Enslow Atkins, Corps of Engineers.  
 Capt. Herman Beukema, Field Artillery.  
 Capt. Edwin Albert Zundel, Field Artillery.  
 Capt. Clinton Wilbur Howard, Air Service.  
 Capt. Charles Manly Busbee, Field Artillery.  
 Capt. Albert Whitney Waldron, Field Artillery.  
 Capt. Parley Doney Parkinson, Infantry.  
 Capt. John Hobert Wallace, Field Artillery.  
 Capt. Raymond Marsh, Field Artillery.  
 Capt. Harold Eugene Small, Coast Artillery Corps.  
 Capt. Henry Benton Saylor, Ordnance Department.  
 Capt. Joseph May Swing, Field Artillery.  
 Capt. Charles Wolcott Ryder, Infantry.  
 Capt. Stafford LeRoy Irwin, Field Artillery.  
 Capt. Joseph Taggart McNarney, Air Service.  
 Capt. Pearson Menoher, Cavalry.  
 Capt. Albert Henry Warren, Coast Artillery Corps.  
 Capt. Omar Nelson Bradley, Infantry.  
 Capt. Paul John Mueller, Infantry.  
 Capt. Leland Stanford Hobbs, Infantry.  
 Capt. John Frederick Kahle, Coast Artillery Corps.  
 Capt. Edwin Boman Lyon, Air Service.  
 Capt. Reinold Melberg, Coast Artillery Corps.  
 Capt. Clarence Brewster Lindner, Coast Artillery Corps.  
 Capt. John Henry Cochran, Coast Artillery Corps.  
 Capt. Carl Conrad Bank, Field Artillery.  
 Capt. Charles Calvert Benedict, Air Service.  
 Capt. Vernon Evans, Infantry.  
 Capt. Roscoe Barnett Woodruff, Infantry.  
 Capt. Joseph-Jesse Teter, Coast Artillery Corps.  
 Capt. Lewis Clarke Davidson, Infantry.  
 Capt. Dwight David Eisenhower, Infantry.  
 Capt. George Hume Peabody, Air Service.  
 Capt. Martin John O'Brien, Coast Artillery Corps.  
 Capt. Joseph Cumming Haw, Coast Artillery Corps.  
 Capt. James Basevi Ord, Infantry.  
 Capt. Earl Larue Naiden, Air Service.  
 Capt. Henry McElderry Pendleton, Cavalry.  
 Capt. Iverson Brooks Summers, jr., Coast Artillery Corps.  
 Capt. Edmund de Treville Ellis, Quartermaster Corps.  
 Capt. Robert William Strong, Cavalry.  
 Capt. Clifford Randall Jones, Coast Artillery Corps.  
 Capt. John Beugnot Wogan, Field Artillery.  
 Capt. Clesen Henry Tenney, Coast Artillery Corps.  
 Capt. Clifford Barrington King, Field Artillery.  
 Capt. Frank Edwin Emery, jr., Coast Artillery Corps.  
 Capt. Edward Caswell Wallington, Chemical Warfare Service.  
 Capt. Carl Ernest Hocker, Coast Artillery Corps.  
 Capt. John William Leonard, Infantry.  
 Capt. Richmond Trumbull Gibson, Coast Artillery Corps.  
 Capt. Edward Campbell McGuire, Cavalry.  
 Capt. Clyde Raymond Eisenschmidt, Infantry.  
 Capt. John McDonald Thompson, Cavalry.  
 Capt. James Alward VanFleet, Infantry.  
 Capt. Edward Gill Sherburne, Infantry.  
 Capt. Walter Wood Hess, jr., Field Artillery.  
 Capt. Michael Frank Davis, Air Service.  
 Capt. John Fuller Davis, Cavalry.  
 Capt. Stuart Clarence MacDonald, Infantry.  
 Capt. Metcalfe Reed, Infantry.

Capt. Hubert Reilly Harmon, Air Service.  
 Capt. Benjamin Greiley Ferris, Infantry.  
 Capt. Charles Samuel Ritchel, Infantry.  
 Capt. Thomas Guerdon Hearn, Infantry.  
 Capt. Joseph Daly Coughlan, Field Artillery.  
 Capt. Reese Maughan Howell, Field Artillery.  
 Capt. Henry Jervis Friese Miller, Air Service.  
 Capt. Alfred Schrieber Balsam, Infantry.  
 Capt. Howard Donnelly, Infantry.  
 Capt. Anastacio Quevedo Ver, Philippine Scouts.  
 Capt. John Nicholas Robinson, Infantry.  
 Capt. Victor Vaughan Taylor, Cavalry.  
 Capt. Tom Fox, Infantry.  
 Capt. Thomas James Hanley, jr., Air Service.  
 Capt. Jacob John Gerhardt, Infantry.  
 Capt. Leo Andrew Walton, Air Service.  
 Capt. Ralph Pittman Cousins, Air Service.  
 Capt. Charles Hosmer Chapin, Coast Artillery Corps.  
 Capt. William Putnam Cherrington, Coast Artillery Corps.  
 Capt. John Franklin Stevens, Cavalry.  
 Capt. Charles Robert Finley, Coast Artillery Corps.  
 Capt. Vernon Edwin Prichard, Infantry.  
 Capt. Adlai Howard Gilkeson, Air Service.  
 Capt. Gilbert Smith Brownell, Infantry.  
 Capt. Richard Carlton Stickney, Infantry.  
 Capt. Edward James Dwan, Cavalry.  
 Capt. Jesse Beeson Hunt, Field Artillery.  
 Capt. John Ross Mendenhall, Infantry.  
 Capt. Norman Randolph, Infantry.  
 Capt. Joseph Monroe Murphy, Infantry.  
 Capt. George Edward Stratemeyer, Air Service.  
 Capt. Eustis Lloyd Hubbard, Cavalry.  
 Capt. Frederic William Boye, Cavalry.  
 Capt. Leroy Hugh Watson, Infantry.  
 Capt. Karl Hartman Gorman, Cavalry.  
 Capt. Henry Harold Dabney, Infantry.  
 Capt. Arthur Aram White, Field Artillery.  
 Capt. John Keliher, Field Artillery.  
 Capt. Benjamin Willis Mills, Infantry.  
 Capt. Thomas Fenton Taylor, Infantry.  
 Capt. Marshall Henry Quesenberry, Infantry.  
 Capt. Manuel Font, Infantry.  
 Capt. Daniel Allman Connor, Field Artillery.  
 Capt. George Mayo, Corps of Engineers.  
 Capt. Paul Theodore Bock, Air Service.  
 Capt. Arthur Peter von Deesten, Corps of Engineers.  
 Capt. Herbert Spencer Struble, Field Artillery.  
 Capt. Eugene Coffin, Finance Department.  
 Capt. Francis Jewett Baker, Finance Department.  
 Capt. Eugene Owen Hopkins, Finance Department.  
 Capt. Dana Woods Morey, Finance Department.  
 Capt. Selden Brooke Armat, Finance Department.  
 Capt. George Zinn Eckels, Finance Department.  
 Capt. Jerome Clark, Finance Department.  
 Capt. Louis Maloney Thibadeau, Finance Department.  
 Capt. Clarence Maynard Exley, Finance Department.  
 Capt. Otto Wilhelm Gralund, Finance Department.  
 Capt. Horace Grattan Foster, Finance Department.  
 Capt. James MacKay, Finance Department.  
 Capt. Thomas Scott Pugh, Finance Department.  
 Capt. Stephen Roscoe Beard, Finance Department.  
 Capt. George Nicoll Watson, Finance Department.  
 Capt. Guy Russell Doane, Finance Department.  
 Capt. Emmet Crawford Morton, Finance Department.  
 Capt. Harold George Salmon, Finance Department.  
 Capt. Archie Henry Willis, Finance Department.  
 Capt. Edward Tiffin Comegys, Finance Department.  
 Capt. Harrison Willard Smith, Quartermaster Corps.  
 Capt. Horace Grant Rice, Finance Department.  
 Capt. Charles Russell Insley, Finance Department.  
 Capt. Wilhelm P. A. T. von Hartung, Finance Department.  
 Capt. Montgomery Taft Legg, Finance Department.  
 Capt. James Asa Marmon, Finance Department.  
 Capt. Walter Davis Dabney, Finance Department.  
 Capt. Percy Gabriel Hoyt, Finance Department.  
 Capt. William Alexander MacNicholl, Finance Department.  
 Capt. Carl Halla, Finance Department.  
 Capt. Charles Franklin Eddy, Finance Department.  
 Capt. William Maynard Dixon, Finance Department.  
 Capt. Richard LeRoy Cave, Finance Department.  
 Capt. Alfred James Maxwell, Finance Department.  
 Capt. Orva Earl Beezley, Finance Department.  
 Capt. Frank Elmer Parker, Finance Department.  
 Capt. Edwin Fairbrother Ely, Finance Department.  
 Capt. Raymond George Moses, Corps of Engineers.



Capt. Wilhelm Delp Styer, Corps of Engineers.  
 Capt. Charles Holmes Cunningham, Corps of Engineers.  
 Capt. Dwight Frederick Johns, Corps of Engineers.  
 Capt. William Arthur Snow, Corps of Engineers.  
 Capt. Thomas Dewees Finley, Infantry.  
 Capt. Elroy Sandy Jackson Irvine, Corps of Engineers.  
 Capt. Stanley Eric Reinhart, Field Artillery.  
 Capt. Notley Young DuHamel, Corps of Engineers.  
 Capt. Robert George Guyer, Corps of Engineers.  
 Capt. Dean Hudnutt, Field Artillery.  
 Capt. Lewis Emerson Hibbs, Field Artillery.  
 Capt. Robert Allen Sharrer, Corps of Engineers.  
 Capt. Ludon Dixon Worsham, Corps of Engineers.  
 Capt. Horace Logan McBride, Field Artillery.  
 Capt. Ralph Gillett Barrows, Corps of Engineers.  
 Capt. Holland Luley Robb, Corps of Engineers.  
 Capt. Hamilton Ewing Maguire, Field Artillery.  
 Capt. Ray Corrigan Rutherford, Field Artillery.  
 Capt. Frederick Walker Bonfils, Corps of Engineers.  
 Capt. Robert Reese Neyland, jr., Corps of Engineers.  
 Capt. William Morris Hoge, jr., Corps of Engineers.  
 Capt. William Roscoe Woodward, Field Artillery.  
 Capt. Stanley Lonzo Scott, Corps of Engineers.  
 Capt. Tattnell Daniell Simkins, Corps of Engineers.  
 Capt. Henry Crampton Jones, Field Artillery.  
 Capt. Leslie Thomas Saul, Infantry.  
 Capt. Carl Lee Marriott, Coast Artillery Corps.  
 Capt. James Arthur Pickering, Field Artillery.  
 Capt. James Knox Cockrell, Cavalry.  
 Capt. William Spence, Field Artillery.  
 Capt. Willis McDonald Chapin, Coast Artillery Corps.  
 Capt. Fred Beeler Ingalls, Field Artillery.  
 Capt. Robert Bruce McBride, jr., Field Artillery.  
 Capt. Paul Vincent Kane, Field Artillery.  
 Capt. DeRosey Carroll Cabell, jr., Ordnance Department.  
 Capt. Ralph Irvine Sasse, Cavalry.  
 Capt. William Ewen Shipp, Cavalry.  
 Capt. Carl Smith Doney, Coast Artillery Corps.  
 Capt. William Heatt Cureton, Field Artillery.  
 Capt. Fay Brink Prickett, Field Artillery.  
 Capt. Calvin DeWitt, jr., Cavalry.  
 Capt. James Mitchell Crane, Field Artillery.  
 Capt. Lucien Samuel Spicer Berry, Cavalry.  
 Capt. Victor William Beck Wales, Cavalry.  
 Capt. William Earl Chambers, Infantry.  
 Capt. Joseph Merit Tully, Cavalry.  
 Capt. Warner William Carr, Infantry.  
 Capt. Hugh Mitchell, Signal Corps.  
 Capt. Robert LeGrow Walsh, Air Service.  
 Capt. Richard Mar Levy, Coast Artillery Corps.  
 Capt. Thomas Lyle Martin, Infantry.  
 Capt. Geoffrey Prescott Baldwin, Infantry.  
 Capt. John Bennington Bennet, Infantry.  
 Capt. Kenneth Macomb Halpine, Infantry.  
 Capt. George Sidney Andrew, Cavalry.  
 Capt. Roland Paget Shugg, Field Artillery.

The officers herein named, who formerly were captains but now are first lieutenants (under recess appointments) in the Regular Army, to be first lieutenants in the Regular Army, to take rank in that grade as prescribed by the act of June 30, 1922:

*To be first lieutenants.*

First Lieut. Oliver Wendell Broberg, Air Service.  
 First Lieut. Clarence Earle Lovejoy, Infantry.  
 First Lieut. Richard Sylvester Gessford, Infantry.  
 First Lieut. Benjamin Mills Crenshaw, Infantry.  
 First Lieut. Curtis Loyd Stafford, Cavalry.  
 First Lieut. Alexander Garrett Olsen, Cavalry.  
 First Lieut. Robert Kauch, Air Service.  
 First Lieut. Arthur Riehl Wilson, Field Artillery.  
 First Lieut. John Major Reynolds, Field Artillery.  
 First Lieut. Basil Vernon Fields, Infantry.  
 First Lieut. Bickford Edward Sawyer, Cavalry.  
 First Lieut. Irwin Samuel Dierking, Infantry.  
 First Lieut. Donald Boyer Rogers, Field Artillery.  
 First Lieut. Clinton Fisk Woolsey, Air Service.  
 First Lieut. Joseph Bartholomew Conmy, Infantry.  
 First Lieut. William Randolph Watson, Infantry.  
 First Lieut. George Curtis McFarland, Coast Artillery Corps.  
 First Lieut. Collin Stafford Myers, Infantry.  
 First Lieut. John Peter Neu, Quartermaster Corps.  
 First Lieut. William Herschel Middleswart, Quartermaster Corps.  
 First Lieut. Arden Clucas Miller, Field Artillery.  
 First Lieut. Frank Sims Mansfield, Infantry.  
 First Lieut. Ralph C. G. Nemo, Infantry.

First Lieut. Ross Franklin Cole, Air Service.  
 First Lieut. Oakley Leigh Sanders, Cavalry.  
 First Lieut. Kenneth Smith Anderson, Infantry.  
 First Lieut. John Pinnix Lake, Infantry.  
 First Lieut. Heston Rarick Cole, Corps of Engineers.  
 First Lieut. Russel Burton Reynolds, Infantry.  
 First Lieut. Harold Douglas Dinsmore, Infantry.  
 First Lieut. Paul Clarence Boylan, Field Artillery.  
 First Lieut. Ralph Floyd Love, Infantry.  
 First Lieut. William Irving Sherwood, Infantry.  
 First Lieut. Charles Wilkes Christenberry, Infantry.  
 First Lieut. Charles Andrew Beaucond, Infantry.  
 First Lieut. Stewart Franklin Miller, Field Artillery.  
 First Lieut. Hugh Campbell Parker, Infantry.  
 First Lieut. Loyal Moyer Haynes, Field Artillery.  
 First Lieut. Floyd Marshall, Infantry.  
 First Lieut. William Carey Lee, Infantry.  
 First Lieut. Cecil John Gridley, Infantry.  
 First Lieut. Leonard Henderson Sims, Infantry.  
 First Lieut. John Edwin Ray, Infantry.  
 First Lieut. Roy Thomas Barrett, Coast Artillery Corps.  
 First Lieut. Clyde Lloyd Hyssong, Infantry.  
 First Lieut. John Jeremiah Bachman, Field Artillery.  
 First Lieut. Raymond Jay Williamson, Infantry.  
 First Lieut. Vere Painter, Quartermaster Corps.  
 First Lieut. Walter Julius Ungethuem, Infantry.  
 First Lieut. Thomas Boroughs Richardson, Infantry.  
 First Lieut. Samuel Wilber Stephens, Infantry.  
 First Lieut. Richard Cohron Lowry, Coast Artillery Corps.  
 First Lieut. Albert Edgar Billing, Infantry.  
 First Lieut. Robert Oney Wright, Cavalry.  
 First Lieut. Edwin Todd Wheatley, Infantry.  
 First Lieut. John Hudspeth Crozier, Infantry.  
 First Lieut. John Winthrop Mott, Infantry.  
 First Lieut. Jess Garnett Boykin, Cavalry.  
 First Lieut. John Charles MacDonald, Infantry.  
 First Lieut. Harvey Shelton, Infantry.  
 First Lieut. Thomas Robert Gibson, Infantry.  
 First Lieut. Hugh Bryan Hester, Field Artillery.  
 First Lieut. James Mahon Roamer, Infantry.  
 First Lieut. Maylon Edward Scott, Field Artillery.  
 First Lieut. Lewis Burnham Rock, Infantry.  
 First Lieut. Charles Moorman Hurt, Cavalry.  
 First Lieut. James Dallace Bender, Infantry.  
 First Lieut. Louis Howard Thompson, Coast Artillery Corps.  
 First Lieut. Ellis Bates, Infantry.  
 First Lieut. George Pryor Johnson, Air Service.  
 First Lieut. Clyde Virginius Finter, Air Service.  
 First Lieut. Michael Condon Shea, Field Artillery.  
 First Lieut. Paul Dillard Carter, Infantry.  
 First Lieut. Charles John Wynne, Quartermaster Corps.  
 First Lieut. Paul Henry Weiland, Field Artillery.  
 First Lieut. Marvin Wade Marsh, Infantry.  
 First Lieut. Holland Spencer Chamness, Infantry.  
 First Lieut. Julian Horace George, Infantry.  
 First Lieut. William Camillus Kabrich, Coast Artillery Corps.  
 First Lieut. Frank Upton Greer, Infantry.  
 First Lieut. Laurin Lyman Williams, Infantry.  
 First Lieut. Anderson Hassell Norton, Cavalry.  
 First Lieut. Henry Christopher Harrison, jr., Field Artillery.  
 First Lieut. Hanford Nichols Lockwood, jr., Field Artillery.  
 First Lieut. John Markham Ferguson, Infantry.  
 First Lieut. Joseph Saunders Johnson, jr., Infantry.  
 First Lieut. John Calvin Sandlin, Infantry.  
 First Lieut. Clarence Eugene Brand, Coast Artillery Corps.  
 First Lieut. Leslie Eugene Bowman, Quartermaster Corps.  
 First Lieut. Alonzo Patrick Fox, Infantry.  
 First Lieut. Hugh Joseph Gaffey, Field Artillery.  
 First Lieut. Horace Benjamin Smith, Infantry.  
 First Lieut. Joseph Addison DuBois, Infantry.  
 First Lieut. Barlow Winston, Infantry.  
 First Lieut. Maurice Rose, Infantry.  
 First Lieut. Florain Dennis Giles, Infantry.  
 First Lieut. Chester Morse Willingham, Infantry.  
 First Lieut. Gene Russell Mauger, Cavalry.  
 First Lieut. Joseph Jerome Fraser, Infantry.  
 First Lieut. Frank L. Burns, Infantry.  
 First Lieut. Harold Edwards Stow, Infantry.  
 First Lieut. William Burl Johnson, Quartermaster Corps.  
 First Lieut. Wilfred Hill Steward, Infantry.  
 First Lieut. Merl Louis Broderick, Infantry.  
 First Lieut. Winfield Rose McKay, Infantry.  
 First Lieut. Lester Austin Webb, Infantry.  
 First Lieut. Samuel Lewis Buracker, Infantry.  
 First Lieut. Arthur Edwin Burnap, Infantry.  
 First Lieut. James Harrison Donahue, Infantry.

- First Lieut. David Almedus Bigsett, Infantry.  
 First Lieut. Thomas Patrick Walsh, Coast Artillery Corps.  
 First Lieut. Warren Benedict Scanlon, Infantry.  
 First Lieut. William Robert Hamby, Cavalry.  
 First Lieut. Buckner Miller Creel, Cavalry.  
 First Lieut. Henry Winter Borntraeger, Infantry.  
 First Lieut. Edwin Rudolph Petzing, Signal Corps.  
 First Lieut. Richard Carvel Mallonee, Field Artillery.  
 First Lieut. Theodore Ernest Voigt, Cavalry.  
 First Lieut. Douglas Johnston, Air Service.  
 First Lieut. Lawrence Pradere Hickey, Air Service.  
 First Lieut. Severn Teackle Wallis, jr., Field Artillery.  
 First Lieut. Charles Murray Rees, Infantry.  
 First Lieut. William May, Infantry.  
 First Lieut. Samuel Tankersley Williams, Infantry.  
 First Lieut. Harold Herbert Fisher, Infantry.  
 First Lieut. Silas Warren Robertson, Cavalry.  
 First Lieut. Donald Van Niman Bonnett, Infantry.  
 First Lieut. William Henry Johnson, Infantry.  
 First Lieut. Egbert Jansen Buckbee, Quartermaster Corps.  
 First Lieut. Ernest Andrew Reynolds, Quartermaster Corps.  
 First Lieut. James Donison Carter, Philippine Scouts.  
 First Lieut. George Warren Cooke, Finance Department.  
 First Lieut. Shiras Alexander Blair, Air Service.  
 First Lieut. Amos Tyree, Quartermaster Corps.  
 First Lieut. Charles Otway Carter, Quartermaster Corps.  
 First Lieut. Anton Zeman, Quartermaster Corps.  
 First Lieut. Franklin Denwood Shawn, Quartermaster Corps.  
 First Lieut. Charles Stalsburg, Quartermaster Corps.  
 First Lieut. Henry Mackay Shaw, Field Artillery.  
 First Lieut. Charles Julius Isley, Quartermaster Corps.  
 First Lieut. Ralph Hibbler Bogle, Quartermaster Corps.  
 First Lieut. Henry John Hunker, Quartermaster Corps.  
 First Lieut. Frederick Eugene Hagen, Quartermaster Corps.  
 First Lieut. Murdock Allen McFadden, Quartermaster Corps.  
 First Lieut. Clifford Michael Ollivetti, Judge Advocate General's Department.  
 First Lieut. Woodbury Freeman Pride, Cavalry.  
 First Lieut. John Wesley Orcutt, Ordnance Department.  
 First Lieut. Vance Whiting Batchelor, Cavalry.  
 First Lieut. Norman Paul Williams, Infantry.  
 First Lieut. Lewis Conway Baird, Quartermaster Corps.  
 First Lieut. Robert Grant Cousley, Infantry.  
 First Lieut. Roland Capel Bower, Quartermaster Corps.  
 First Lieut. David Grove, Quartermaster Corps.  
 First Lieut. Ernest Ward Ely, Infantry.  
 First Lieut. John Archie King, Quartermaster Corps.  
 First Lieut. James Horace Barbin, Infantry.  
 First Lieut. Wiley Hubbard O'Mohundro, Infantry.  
 First Lieut. Charles Leonard Charlebois, Quartermaster Corps.  
 First Lieut. George Harrison Harrell, Quartermaster Corps.  
 First Lieut. James Wight Van Osten, Signal Corps.  
 First Lieut. Herman Henry Pohl, Corps of Engineers.  
 First Lieut. Gerald Alford Counts, Corps of Engineers.  
 First Lieut. Hiram Baldwin Ely, Ordnance Department.  
 First Lieut. Kenneth Mason Moore, Corps of Engineers.  
 First Lieut. Edmond Harrison Levy, Corps of Engineers.  
 First Lieut. Thomas Dodson Stamps, Corps of Engineers.  
 First Lieut. Bartley Marcus Harloe, Corps of Engineers.  
 First Lieut. Girard Blakesley Troland, Corps of Engineers.  
 First Lieut. William Oliver Reeder, Field Artillery.  
 First Lieut. William Robert Gerhardt, Field Artillery.  
 First Lieut. Theodore Earl Buechler, Field Artillery.  
 First Lieut. Herman Uth Wagner, Ordnance Department.  
 First Lieut. Theodore Leslie Futch, Field Artillery.  
 First Lieut. Russell Luff Meredith, Air Service.  
 First Lieut. William Innes Wilson, Ordnance Department.  
 First Lieut. Harold Allum Cooney, Field Artillery.  
 First Lieut. Henry Anson Barber, jr., Infantry.  
 First Lieut. Miles Andrew Cowles, Field Artillery.  
 First Lieut. Lawrence McCeney Jones, Field Artillery.  
 First Lieut. Gordon Graham Heiner, jr., Field Artillery.  
 First Lieut. George Walter Hirsch, Ordnance Department.  
 First Lieut. Forrest Clifford Shaffer, Ordnance Department.  
 First Lieut. Frank Fenton Reed, Coast Artillery Corps.  
 First Lieut. John Will Coffey, Ordnance Department.  
 First Lieut. Grayson Cooper Woodbury, Ordnance Department.  
 First Lieut. Robert Alston Willard, Infantry.  
 First Lieut. Clyde Hobart Morgan, Coast Artillery Corps.  
 First Lieut. Robert Wilson Hasbrouck, Field Artillery.  
 First Lieut. John Taylor deCamp, Coast Artillery Corps.  
 First Lieut. Sargent Prentiss Huff, Coast Artillery Corps.  
 First Lieut. William Henry Donaldson, jr., Coast Artillery Corps.  
 First Lieut. Duncan Gregor McGregor, Ordnance Department.  
 First Lieut. Thomas Jackson Heavey, Cavalry.  
 First Lieut. Henry Maris Black, Chemical Warfare Service.  
 First Lieut. Wallace Francis Safford, Cavalry.  
 First Lieut. Willard David Murphy, Coast Artillery Corps.  
 First Lieut. Joshua Ashley Stansell, Signal Corps.  
 First Lieut. John Marcus Erwin, Ordnance Department.  
 First Lieut. Fidel Segundo y Ventura, Philippine Scouts.  
 First Lieut. Raymond Eccleston Williamson, Cavalry.  
 First Lieut. David Charles George Schlenker, Cavalry.  
 First Lieut. John Richard Wilnot Diehl, Cavalry.  
 First Lieut. Rudolph Daniel Delehanly, Field Artillery.  
 First Lieut. William Henry Whiting Reinburg, Cavalry.  
 First Lieut. Elmer Hugo Almquist, Field Artillery.  
 First Lieut. Frank Leslie Carr, Cavalry.  
 First Lieut. Frank Edmund Bertholet, Cavalry.  
 First Lieut. Marion Carson, Cavalry.  
 First Lieut. Rossiter Hunt Garity, Cavalry.  
 First Lieut. Salvador Formoso Reyes, Philippine Scouts.  
 First Lieut. Frank Charles Jedlicka, Field Artillery.  
 First Lieut. Robert MacDonald Graham, Cavalry.  
 First Lieut. Leo Buffington Conner, Cavalry.  
 First Lieut. Arthur Burnola Custis, Ordnance Department.  
 First Lieut. Loyd Van Horne Durfee, Infantry.  
 First Lieut. Desmond O'Keefe, Field Artillery.  
 First Lieut. Hal Marney Rose, Cavalry.  
 First Lieut. John Ter Bush Bissell, Field Artillery.  
 First Lieut. John Bellingier Bellingier, jr., Ordnance Department.  
 First Lieut. George Senseny Eyster, Infantry.  
 First Lieut. Henry Richard Anderson, Infantry.  
 First Lieut. William McCaskey Chapman, Infantry.  
 First Lieut. Norman McNeill, Infantry.  
 First Lieut. Glen Henry Anderson, Infantry.  
 First Lieut. Bryant Edward Moore, Infantry.  
 First Lieut. Leo Vincent Warner, Field Artillery.  
 First Lieut. Howard Alston Deas, Infantry.  
 First Lieut. Henry William Bobrink, Infantry.  
 First Lieut. Onslow Sherburne Rolfe, Infantry.  
 First Lieut. Henry Perkins Gantt, Field Artillery.  
 First Lieut. Jesse Brooke Matlack, Infantry.  
 First Lieut. Parry Weaver Lewis, Coast Artillery Corps.  
 First Lieut. Edward Wrenne Timberlake, Coast Artillery Corps.  
 First Lieut. William Wallace Jenna, Infantry.  
 First Lieut. William Richard Fleming, Infantry.  
 First Lieut. Francis Porter Simpson, Infantry.  
 First Lieut. Harry Cooper Barnes, jr., Coast Artillery Corps.  
 First Lieut. Robert John Hoffman, Infantry.  
 First Lieut. Clare Wallace Woodward, Infantry.  
 First Lieut. John Stevenson Mallory, Field Artillery.  
 First Lieut. Frederick Dent Sharp, Field Artillery.  
 First Lieut. William Sydney Barrett, Chemical Warfare Service.  
 First Lieut. Paul Ryan Goode, Infantry.  
 First Lieut. Harry Niles Rising, Infantry.  
 First Lieut. Henry Cornelius Demuth, Field Artillery.  
 First Lieut. Lowell Meeker Riley, Infantry.  
 First Lieut. Emil Krause, Infantry.  
 First Lieut. Robert Lynn Bacon, Infantry.  
 First Lieut. Edwin Jacob House, Air Service.  
 First Lieut. Arthur Charles Purvis, Infantry.  
 First Lieut. James Jackson Hea, Infantry.  
 First Lieut. Carlisle Britannia Wilson, Infantry.  
 First Lieut. Harold Lewis Milan, Infantry.  
 First Lieut. Horace Harding, Field Artillery.  
 First Lieut. Fred Ernest Davis, Quartermaster Corps.  
 First Lieut. Reuben Lee Fain, Quartermaster Corps.  
 First Lieut. George Darryll Gamble, Quartermaster Corps.  
 First Lieut. Carey Edwin Goodwyn, Quartermaster Corps.  
 First Lieut. Edmund Graham West, Quartermaster Corps.  
 First Lieut. Joseph Idus Lambert, Cavalry.  
 First Lieut. Clarence Nelson Iry, Corps of Engineers.  
 First Lieut. Adolphe St. Armand Fairbanks, Corps of Engineers.  
 First Lieut. Joseph Worth Timmons, jr., Quartermaster Corps.  
 First Lieut. Edward Eccles, Quartermaster Corps.  
 First Lieut. John William Mayben, Quartermaster Corps.  
 First Lieut. Edward Raeder, Quartermaster Corps.  
 First Lieut. William Edward Chase Elkington, Quartermaster Corps.  
 First Lieut. Roy Claire Wells, Cavalry.  
 First Lieut. Hugh Whitt, Quartermaster Corps.  
 First Lieut. John Smith Scally, Quartermaster Corps.  
 First Lieut. Charles Frederick Wilson, Quartermaster Corps.



- First Lieut. Fred William Crisp, Coast Artillery Corps.  
 First Lieut. Allen William Pollitt, Quartermaster Corps.  
 First Lieut. Ray Aloysius Dunn, Air Service.  
 First Lieut. Hamilton Hall Treager Glessner, Signal Corps.  
 First Lieut. Irwin Wilson Guth, Quartermaster Corps.  
 First Lieut. Livingston Swentzel, Signal Corps.  
 First Lieut. Elbert Cock, Quartermaster Corps.  
 First Lieut. Crawford McMann Kellogg, Chemical Warfare Service.  
 First Lieut. William Frank Johnson, Infantry.  
 First Lieut. Frank Dennison Wheeler, Quartermaster Corps.  
 First Lieut. James Anderson Beirne Gibson, Ordnance Department.  
 First Lieut. Herbert Allen Gardner, Quartermaster Corps.  
 First Lieut. Frederick Fostee Christine, Air Service.  
 First Lieut. Albert Lobitz, Quartermaster Corps.  
 First Lieut. Patrick Kelly, Quartermaster Corps.  
 First Lieut. Birnie Lee Brunson, Finance Department.  
 First Lieut. Simon Jacobson, Quartermaster Corps.  
 First Lieut. Edward William Lachmiller, Quartermaster Corps.  
 First Lieut. Talmage Phillips, Quartermaster Corps.  
 First Lieut. John Paul Tillman, Quartermaster Corps.  
 First Lieut. George Wilbur McEntire, Air Service.  
 First Lieut. John Newport Greene, Cavalry.  
 First Lieut. Charles Harrison Brammell, Field Artillery.  
 First Lieut. George Hebard Pryor, Quartermaster Corps.  
 First Lieut. John Aubrey Wheeler, Ordnance Department.  
 First Lieut. Frank Arthur Mertz, Quartermaster Corps.  
 First Lieut. Asa Jeremiah Etheridge, Air Service.  
 First Lieut. Earl Spiker Schofield, Air Service.  
 First Lieut. Arthur Walter Stanley, Quartermaster Corps.  
 First Lieut. Henry James Conner, Quartermaster Corps.  
 First Lieut. Arthur Emel Simonin, Air Service.  
 First Lieut. Paul Frederick Huber, Quartermaster Corps.  
 First Lieut. Graves Barney McGary, Quartermaster Corps.  
 First Lieut. Frank O'Driscoll Hunter, Air Service.  
 First Lieut. Arthur William Parker, Quartermaster Corps.  
 First Lieut. Herbert Lee Jackson, Cavalry.  
 First Lieut. Randolph James Hernandez, Quartermaster Corps.  
 First Lieut. David Sidney Seaton, Air Service.  
 First Lieut. Schenk Henry Griffin, Corps of Engineers.  
 First Lieut. Harold Huston George, Air Service.  
 First Lieut. Alden Harry Waitt, Chemical Warfare Service.  
 First Lieut. Sterling Clifton Robertson, Infantry.  
 First Lieut. Charles Walton Cameron, Quartermaster Corps.  
 First Lieut. Richard Landrum Smith, Corps of Engineers.  
 First Lieut. Harold Arthur Barnes, Quartermaster Corps.  
 First Lieut. Arthur Edwin Danielson, Quartermaster Corps.  
 First Lieut. William Hammond Waugh, Corps of Engineers.  
 First Lieut. Clarence Barnard, Ordnance Department.  
 First Lieut. John Leland Corbett, Quartermaster Corps.  
 First Lieut. Paul Lindsay Beard, Quartermaster Corps.  
 First Lieut. Joseph Lawrence Aman, Ordnance Department.  
 First Lieut. Nels Johnson Thornd, Quartermaster Corps.  
 First Lieut. Walter Jay Reed, Air Service.  
 First Lieut. St. Clair Streett, Air Service.  
 First Lieut. Walter Sutherland Bramble, Quartermaster Corps.  
 First Lieut. Harry Diffenbaugh, Quartermaster Corps.  
 First Lieut. Ranald Trevor Adams, Infantry.  
 First Lieut. John Van Ness Ingram, Quartermaster Corps.  
 First Lieut. James Stevenson Crawford, Ordnance Department.  
 First Lieut. Andrew Jackson Nichols, Infantry.  
 First Lieut. Archie Donald Cameron, Infantry.  
 First Lieut. Henry Bert Knowles, Quartermaster Corps.  
 First Lieut. Stewart Hancock Elliott, Ordnance Department.  
 First Lieut. John Conrad Christophel, Quartermaster Corps.  
 First Lieut. Asa Irwin, Quartermaster Corps.  
 First Lieut. Donald Marion McRae, Infantry.  
 First Lieut. John Aloysius Broderick, Quartermaster Corps.  
 First Lieut. Malcolm Douglas Grimes, Quartermaster Corps.  
 First Lieut. Roger Shaw McCullough, Air Service.  
 First Lieut. Franklin Overheiser, Quartermaster Corps.  
 First Lieut. Frank Morell, Quartermaster Corps.  
 First Lieut. Peter Shemonsky, Quartermaster Corps.  
 First Lieut. William Mathew Lerner, Quartermaster Corps.  
 First Lieut. Charles Bertrand Wickins, Quartermaster Corps.  
 First Lieut. Mahlon Kirkbride Taylor, Quartermaster Corps.  
 First Lieut. Van Leslie Prather, Quartermaster Corps.  
 First Lieut. William Hunt Roach, Quartermaster Corps.  
 First Lieut. Edward Peter Doyle, Quartermaster Corps.  
 First Lieut. Carl Bierwirth Searing, Infantry.  
 First Lieut. Robert Lake Miller, Quartermaster Corps.  
 First Lieut. Ralph Eli Fleischer, Quartermaster Corps.  
 First Lieut. Robert Oliver White, Quartermaster Corps.  
 First Lieut. William Foelsing, Quartermaster Corps.  
 First Lieut. Charles William Dietz, Quartermaster Corps.  
 First Lieut. Walter Lane Shearman, Quartermaster Corps.  
 First Lieut. Roy Marsh McCutchen, Corps of Engineers.  
 First Lieut. Aubrey Hoodenpyl Bond, Corps of Engineers.  
 First Lieut. Hubert Walter Collins, Corps of Engineers.  
 First Lieut. Frank Bowman Hastie, Corps of Engineers.  
 First Lieut. Bennet Hart Bowley, jr., Corps of Engineers.  
 First Lieut. Robert Dorrance Ingalls, Corps of Engineers.  
 First Lieut. Walter Lyman Medding, Corps of Engineers.  
 First Lieut. Albert Carl Lieber, jr., Corps of Engineers.  
 First Lieut. William Clair Atwater, Corps of Engineers.  
 First Lieut. George Jacob Nold, Corps of Engineers.  
 First Lieut. Charles Alexander Brinkley, Quartermaster Corps.  
 First Lieut. Hugh Franklin Ewing, Quartermaster Corps.  
 First Lieut. Samuel Howes Baker, Quartermaster Corps.  
 First Lieut. Ellisha Kenneth Henson, Quartermaster Corps.  
 First Lieut. John Isham Moore, Air Service.  
 First Lieut. Lloyd Milton Garner, Quartermaster Corps.  
 First Lieut. John Parr Temple, Air Service.  
 First Lieut. Vance Lawton Richmond, Infantry.  
 First Lieut. Earle Trask Loucks, Infantry.  
 First Lieut. Harris Markham Findlay, Field Artillery.  
 First Lieut. Russell Crayden Winchester, Cavalry.  
 First Lieut. George Hunter Passmore, Infantry.  
 First Lieut. James Stevenson Rodwell, Cavalry.  
 First Lieut. George Orenthus Allen Daughtry, jr., Infantry.  
 First Lieut. Kirk Broadus, Cavalry.  
 First Lieut. Newton Gale Bush, Infantry.  
 First Lieut. Paolo Hoffoss Sperati, Infantry.  
 First Lieut. LeRoy Welling Nichols, Infantry.  
 First Lieut. Harvey Julius Silvestone, Infantry.  
 First Lieut. Charles Martin Chamberlain, jr., Infantry.  
 First Lieut. LeRoy Allen Whittaker, Coast Artillery Corps.  
 First Lieut. Harry Barnes Sepulveda, Infantry.  
 First Lieut. Samuel Charles Skemp, Air Service.  
 First Lieut. John Robert Hubbard, Quartermaster Corps.  
 First Lieut. Oliver Stevenson Ferson, Air Service.  
 First Lieut. Robert Gale Breene, Cavalry.  
 First Lieut. George Abe Woody, Ordnance Department.  
 First Lieut. Thomas Kenneth Vincent, Ordnance Department.  
 First Lieut. Samuel Littler Metcalfe, Infantry.  
 First Lieut. Geoffrey Maurice O'Connell, Coast Artillery Corps.  
 First Lieut. Frank Wilbur Halsey, Infantry.  
 First Lieut. Kirby Green, Infantry.  
 First Lieut. Myron Joseph Conway, Infantry.  
 First Lieut. Hollis Benjamin Hoyt, Infantry.  
 First Lieut. Arthur Foster Gilmore, Coast Artillery Corps.  
 First Lieut. John August Otto, Infantry.  
 First Lieut. Joseph Burton Sweet, Infantry.  
 First Lieut. William Quinntillus Jeffords, jr., Coast Artillery Corps.  
 First Lieut. Garland Cuzorte Black, Cavalry.  
 First Lieut. George Anthony Patrick, Coast Artillery Corps.  
 First Lieut. Joseph Andral Nichols, Infantry.  
 First Lieut. Leon Lightner Kotzebue, Infantry.  
 First Lieut. Walter Christian Thee, Coast Artillery Corps.  
 First Lieut. Thomas Reed Holmes, Infantry.  
 First Lieut. Roscoe Irwin MacMillan, Infantry.  
 First Lieut. Nicholas Dodge Woodward, Infantry.  
 First Lieut. Edgar William King, Coast Artillery Corps.  
 First Lieut. Riley Edward McGarraugh, Coast Artillery Corps.  
 First Lieut. Allan Preston Bruner, Coast Artillery Corps.  
 First Lieut. Egbert Frank Bullene, Cavalry.  
 First Lieut. Mark Gerald Brislaw, Infantry.  
 First Lieut. Carleton Burgess, Cavalry.  
 First Lieut. George Washington Armitage, Quartermaster Corps.  
 First Lieut. William McKendree Scott, Quartermaster Corps.  
 First Lieut. John Edward Brown, Ordnance Department.  
 First Lieut. John Gibbon McCoy, Chemical Warfare Service.  
 First Lieut. Arthur Eugene Fox, Field Artillery.  
 First Lieut. Carleton Smith, Infantry.  
 First Lieut. Paul Conover Gripper, Signal Corps.  
 First Lieut. LeCount Haynes Slocum, Field Artillery.  
 First Lieut. Edwin Fry Barry, Ordnance Department.  
 First Lieut. Frederick Harry Black, Field Artillery.  
 First Lieut. Josef Robert Sheetz, Field Artillery.  
 First Lieut. Charles Paul Cullen, Infantry.  
 First Lieut. Frederic Arthur Metcalf, Field Artillery.  
 First Lieut. Harry Emerson Storms, Infantry.  
 First Lieut. David Dean Barrett, Infantry.  
 First Lieut. Lawrence James Meyns, Ordnance Department.  
 First Lieut. Thomas Harry Ramsey, Infantry.  
 First Lieut. Leon Dessez, Field Artillery.

- First Lieut. Lawrence Iverson, Coast Artillery Corps.  
 First Lieut. Archibald Luther Parmelee, Coast Artillery Corps.  
 First Lieut. Walter Byron Fariss, Infantry.  
 First Lieut. John Patrick Crehan, Field Artillery.  
 First Lieut. Donald Sutter McConaughy, Field Artillery.  
 First Lieut. John Theodore Sunstone, Infantry.  
 First Lieut. Richard Brownley Gayle, Infantry.  
 First Lieut. Jesse Benjamin Smith, Infantry.  
 First Lieut. Guy Edward Dillard, Cavalry.  
 First Lieut. Robert Tappan Chaplin, Coast Artillery Corps.  
 First Lieut. Raymond Edwin Vermette, Infantry.  
 First Lieut. Abraham Robert Ginsburgh, Field Artillery.  
 First Lieut. Elijah Garrett Arnold, Infantry.  
 First Lieut. Benjamin Wiltwer Pelton, Infantry.  
 First Lieut. Farlow Burt, Infantry.  
 First Lieut. Warren Joseph Clear, Infantry.  
 First Lieut. Dean Ambrose Jones, Cavalry.  
 First Lieut. James Henry Howe, Infantry.  
 First Lieut. Robert Artel Case, Infantry.  
 First Lieut. John Russell Deane, Infantry.  
 First Lieut. Richard Zeigler Crane, Ordnance Department.  
 First Lieut. Paul Carson Febiger, Cavalry.  
 First Lieut. Richard Ogle Welch, Infantry.  
 First Lieut. Leslie Walter Jefferson, Coast Artillery Corps.  
 First Lieut. James Fairbank Smith, Chemical Warfare Service.  
 First Lieut. John Reigel Embich, Chemical Warfare Service.  
 First Lieut. Fred William Koester, Cavalry.  
 First Lieut. William Neely Todd, jr., Cavalry.  
 First Lieut. Ellis DeVern Willis, Infantry.  
 First Lieut. Thomas Reed Taber, Ordnance Department.  
 First Lieut. Harry William Lins, Coast Artillery Corps.  
 First Lieut. Harold Paul Stewart, Cavalry.  
 First Lieut. John Fawcett, Quartermaster Corps.  
 First Lieut. Charles Elliott Lucas, Infantry.  
 First Lieut. Will Rainwater White, Quartermaster Corps.  
 First Lieut. George Albert Bentley, Quartermaster Corps.  
 First Lieut. Norris Whitlock Osborn, Ordnance Department.  
 First Lieut. Leroy Webster Cummings, Corps of Engineers.  
 First Lieut. Oliver Louis Overmyer, Quartermaster Corps.  
 First Lieut. Thomas Kenny, Quartermaster Corps.  
 First Lieut. Harrie Dean W. Riley, Corps of Engineers.  
 First Lieut. Leon Henry Richmond, Signal Corps.  
 First Lieut. Edward Frederick French, Signal Corps.  
 First Lieut. Charles Merrill Savage, Air Service.  
 First Lieut. George Churchill Kenney, Air Service.  
 First Lieut. Bertram John Sherry, Signal Corps.  
 First Lieut. John Thompson Conover, Quartermaster Corps.  
 First Lieut. Warren Atherton Butler, Quartermaster Corps.  
 First Lieut. Jesse DeWitt Cope, Infantry.  
 First Lieut. Eldridge Arnold Green, Infantry.  
 First Lieut. James Howard Todd, Quartermaster Corps.  
 First Lieut. Paul Sutherland Edwards, Signal Corps.  
 First Lieut. James Helmus Bogart, Chemical Warfare Service.  
 First Lieut. Noble Carter, Quartermaster Corps.  
 First Lieut. John Allen Root, Ordnance Department.  
 First Lieut. John Wallace Cooper, Quartermaster Corps.  
 First Lieut. Joseph Hooker Comstock, Infantry.  
 First Lieut. Carroll Harper Newell, Infantry.  
 First Lieut. Harry Thurber, Quartermaster Corps.  
 First Lieut. Louis Arthur Witney, Infantry.  
 First Lieut. Ade Orrill, Infantry.  
 First Lieut. Oscar Glenn Stevens, Infantry.  
 First Lieut. John Alfred Gilman, Quartermaster Corps.  
 First Lieut. William Thomas Brock, Infantry.  
 First Lieut. John Edward Langley, Corps of Engineers.  
 First Lieut. William Floyd Armstrong, Field Artillery.  
 First Lieut. Lorenzo Dow Macy, Infantry.  
 First Lieut. George Augustus Jahant, Infantry.  
 First Lieut. Curtis DeWitt Alway, Infantry.  
 First Lieut. Frank Ely Locke, Quartermaster Corps.  
 First Lieut. Charles Elmer Hetrick, Infantry.  
 First Lieut. Louis James Lampke, Infantry.  
 First Lieut. Henry August Andres, Infantry.  
 First Lieut. Clay Anderson, Corps of Engineers.  
 First Lieut. Claude Lesley Kishler, Coast Artillery Corps.  
 First Lieut. Vernon Calhoun DeVotie, Infantry.  
 First Lieut. William McPhail Stewart, Infantry.  
 First Lieut. Willis Arthur Platts, Infantry.  
 First Lieut. Irvin Boston Warner, Field Artillery.  
 First Lieut. John Charles Skuse, Infantry.  
 First Lieut. Jesse Knox Freeman, Infantry.  
 First Lieut. Edward Marion George, Quartermaster Corps.  
 First Lieut. Paul Hanford Cartter, Infantry.  
 First Lieut. Horace Joseph Brooks, Infantry.  
 First Lieut. Morgan Ellis Jones, Infantry.  
 First Lieut. Fannin Adkin Morgan, Judge Advocate General's Department.  
 First Lieut. George Howard Rarey, Infantry.  
 First Lieut. Jacob Edward Uhrig, Infantry.  
 First Lieut. Clarence Humbert Murphy, Cavalry.  
 First Lieut. Samuel Rivington Goodwin, Cavalry.  
 First Lieut. George Walcott Ames, Coast Artillery Corps.  
 First Lieut. Arthur Wellington Brock, jr., Air Service.  
 First Lieut. John Joseph Murphy, Infantry.  
 First Lieut. Murray Taylor Davenport, Infantry.  
 First Lieut. William Giroud Burt, Infantry.  
 First Lieut. Marshall Joseph Noyes, Corps of Engineers.  
 First Lieut. Charles Manly Walton, Infantry.  
 First Lieut. Samuel Lyman Damon, Corps of Engineers.  
 First Lieut. Guy Lafayette Hartman, Infantry.  
 First Lieut. Thomas Thomas, Infantry.  
 First Lieut. Harry Nelson Burkhalter, Infantry.  
 First Lieut. Truman Wike Allen, Air Service.  
 First Lieut. Charles Humphrey Swick, Corps of Engineers.  
 First Lieut. Victor Leander Oleson, Field Artillery.  
 First Lieut. Walter Buford, Cavalry.  
 First Lieut. William Huffman Young, Infantry.  
 First Lieut. Gottfried Wells Spoerry, Infantry.  
 First Lieut. Harry Donnell Ayres, Infantry.  
 First Lieut. William Ward Wise, Chemical Warfare Service.  
 First Lieut. Rodney Campbell Jones, Coast Artillery Corps.  
 First Lieut. William Aloysius Murphy, Infantry.  
 First Lieut. Harold H. Elarth, Infantry.  
 First Lieut. Lester Joslyn Harris, Infantry.  
 First Lieut. Howard Foster Clark, Corps of Engineers.  
 First Lieut. Howard Clay Brenizer, Field Artillery.  
 First Lieut. Morris Handley Forbes, Infantry.  
 First Lieut. Dorsey Jay Rutherford, Coast Artillery Corps.  
 First Lieut. Reynold Ferdinand Melin, Ordnance Department.  
 First Lieut. Robert Grier St. James, Infantry.  
 First Lieut. Francis Irwin Maslin, Quartermaster Corps.  
 First Lieut. Wilbur Joseph Fox, Infantry.  
 First Lieut. Frank Eckel Taylor, Judge Advocate General's Department.  
 First Lieut. Charles Palmer Clark, Air Service.  
 First Lieut. William Vincent Witcher, jr., Infantry.  
 First Lieut. Leo Leftwich Partlow, Field Artillery.  
 First Lieut. Joseph Francis Stiley, Coast Artillery Corps.  
 First Lieut. Edward Henry Dignowity, Corps of Engineers.  
 First Lieut. John William Elkins, jr., Infantry.  
 First Lieut. Philip Doddridge, Infantry.  
 First Lieut. Chillon Farrar Wheeler, Air Service.  
 First Lieut. Henry Thomas Kent, Infantry.  
 First Lieut. James Arthur Boyers, Infantry.  
 First Lieut. Evan Kirkpatrick Meredith, Infantry.  
 First Lieut. Howard John Liston, Infantry.  
 First Lieut. Charles Marion Thirkeld, Field Artillery.  
 First Lieut. William Robert Carlson, Coast Artillery Corps.  
 First Lieut. Ernest Thomas Jones, Infantry.  
 First Lieut. Harry Womersley Ostrander, Coast Artillery Corps.  
 First Lieut. Melville Stratton Creusere, Field Artillery.  
 First Lieut. Clarence Flagg Murray, Field Artillery.  
 First Lieut. Perry Cole Ragan, Infantry.  
 First Lieut. James Cave Crockett, Infantry.  
 First Lieut. Philip Dunbar Terry, Coast Artillery Corps.  
 First Lieut. Charles Carroll Knight, jr., Field Artillery.  
 First Lieut. Joseph Vincent Thebaud, Infantry.  
 First Lieut. George Willis Morris, Signal Corps.  
 First Lieut. Ira Augustus Hunt, Infantry.  
 First Lieut. Paul Parker Logan, Infantry.  
 First Lieut. Jesse James France, Field Artillery.  
 First Lieut. Armand Sherman Miller, Field Artillery.  
 First Lieut. Thomas Henry, Infantry.  
 First Lieut. Earl Hamlin DeFord, Air Service.  
 First Lieut. Peter Powell Rodes, Field Artillery.  
 First Lieut. Wiley Lee Dixon, Infantry.  
 First Lieut. Frank Martin Smith, Infantry.  
 First Lieut. John Carl Cook, Field Artillery.  
 First Lieut. Herbert William Garrison, Infantry.  
 First Lieut. Burdette Shields Wright, Air Service.  
 First Lieut. Arthur Kay Chambers, Coast Artillery Corps.  
 First Lieut. Paul Thomas Hogge, Infantry.  
 First Lieut. Dale Clarence Hall, Ordnance Department.  
 First Lieut. Charles Summers Miller, Cavalry.  
 First Lieut. Eugene Edwin Hagan, Quartermaster Corps.  
 First Lieut. Joseph Edward Schillo, Quartermaster Corps.  
 First Lieut. John Moody Tuther, Quartermaster Corps.  
 First Lieut. Joseph Henry Burghelm, Infantry.  
 First Lieut. John Palmer Harris, Ordnance Department.  
 First Lieut. Fred Thomson Bass, Corps of Engineers.



First Lieut. Andrew Jackson Patterson, Infantry.  
 First Lieut. Rufus Alexander Byers, Infantry.  
 First Lieut. George Edwin Adamson, Quartermaster Corps.  
 First Lieut. Charles A. Morrow, Quartermaster Corps.  
 First Lieut. Addis Bliss Albro, Signal Corps.  
 First Lieut. Edward Oscar Schairer, Quartermaster Corps.  
 First Lieut. Charley Müller, Infantry.  
 First Lieut. Alfred Henry Thiessen, Signal Corps.  
 First Lieut. Claude Evan Gray, Finance Department.  
 First Lieut. Horace Nevil Heisen, Air Service.  
 First Lieut. Aubrey Irl Eagle, Air Service.  
 First Lieut. Jacob J. Van Putten, jr., Finance Department.  
 First Lieut. Harvey Weir Cook, Air Service.  
 First Lieut. Charles Summer Reed, Ordnance Department.  
 First Lieut. Raymond Clair Hildreth, Signal Corps.  
 First Lieut. David Emery Washburn, Signal Corps.  
 First Lieut. Bernard Edward McKeever, Quartermaster Corps.  
 First Lieut. Michael James Byrne, Infantry.  
 First Lieut. William George Muller, Infantry.  
 First Lieut. William Vincent Randall, Ordnance Department.  
 First Lieut. Will Vermilya Parker, Signal Corps.  
 First Lieut. Floyd Newman Shumaker, Air Service.  
 First Lieut. Lowell Herbert Smith, Air Service.  
 First Lieut. Albert Edward Higgins, Field Artillery.  
 First Lieut. Ethel Alvin Robbins, Quartermaster Corps.  
 First Lieut. James Gilbert Anthony, Signal Corps.  
 First Lieut. Walter Harold Sutherland, Finance Department.  
 First Lieut. Michael Nolan Greeley, Quartermaster Corps.  
 First Lieut. Jesse Lee Thompson, Infantry.  
 First Lieut. Richard Allen, Quartermaster Corps.  
 First Lieut. Christopher William Ford, Air Service.  
 First Lieut. James Eugene Smith, Quartermaster Corps.  
 First Lieut. Biglow Beaver Barbee, Finance Department.  
 First Lieut. Edward Bates Blanchard, Chemical Warfare Service.  
 First Lieut. Thomas Banbury, Quartermaster Corps.  
 First Lieut. William Edward Cashman, Quartermaster Corps.  
 First Lieut. William Sawtelle Kilmer, Field Artillery.  
 First Lieut. Albert William Stevens, Air Service.  
 First Lieut. Alston Bertram Ames, Quartermaster Corps.  
 First Lieut. Stephen Carson Whipple, Corps of Engineers.  
 First Lieut. Harry Franklin Gardner, Quartermaster Corps.  
 First Lieut. Charles Jacob Kindler, Quartermaster Corps.  
 First Lieut. John Nelson Merrill, Cavalry.  
 First Lieut. Theodore Anton Baumeister, Infantry.  
 First Lieut. Charles Jerrold Morelle, Quartermaster Corps.  
 First Lieut. Ellis Donald Weigle, Coast Artillery Corps.  
 First Lieut. Emile Peter Antonovich, Quartermaster Corps.  
 First Lieut. John Clayton O'Dell, Quartermaster Corps.  
 First Lieut. Fred Chase Christy, Infantry.  
 First Lieut. Ernest Leonard Paul Treuthardt, Quartermaster Corps.  
 First Lieut. Richard Pegram Boykin, Quartermaster Corps.  
 First Lieut. Alexander Forest Dersheimer, Quartermaster Corps.  
 First Lieut. Harry Ogle Tunis, Corps of Engineers.  
 First Lieut. Helmer Swenholt, Corps of Engineers.  
 First Lieut. Arnold Richard Christian Sander, Infantry.  
 First Lieut. Sammel Nairn Karrick, Corps of Engineers.  
 First Lieut. Grosvenor Liebenau Wotkins, Infantry.  
 First Lieut. Adel Curry Harden, Finance Department.  
 First Lieut. Guy Hill, Signal Corps.  
 First Lieut. George Moseley Chandler, Quartermaster Corps.  
 First Lieut. Irving Alvan Oppermann, Infantry.  
 First Lieut. William Waite, Infantry.  
 First Lieut. George Eugene Lamb, Quartermaster Corps.  
 First Lieut. Harold Ogier Godwin, Quartermaster Corps.  
 First Lieut. Robert Burdette Woolverton, Signal Corps.  
 First Lieut. Jacob Ramser McNeil, Finance Department.  
 First Lieut. Henry Clyde Clark, Judge Advocate General's Department.  
 First Lieut. Jacob Herman Osterman, Quartermaster Corps.  
 First Lieut. John Joseph Devery, jr., Air Service.  
 First Lieut. John Andrews MacLaughlin, Chemical Warfare Service.  
 First Lieut. Samuel Houston Ware, Quartermaster Corps.  
 First Lieut. Edward Bernard Schlant, Judge Advocate General's Department.  
 First Lieut. Richard James Sothorn, Field Artillery.  
 First Lieut. James Briggs Haney, Ordnance Department.  
 First Lieut. Milo Cooper Pratt, Quartermaster Corps.  
 First Lieut. Harry Stockton Farish, Finance Department.  
 First Lieut. John Paul Dean, Corps of Engineers.  
 First Lieut. Patrick Henry Timothy, jr., Corps of Engineers.

First Lieut. Hugh John Casey, Corps of Engineers.  
 First Lieut. Patrick Henry Tansey, Corps of Engineers.  
 First Lieut. Hans Kramer, Corps of Engineers.  
 First Lieut. Albert Gordon Matthews, Corps of Engineers.  
 First Lieut. Amos Blanchard Shattuck, jr., Corps of Engineers.

First Lieut. Leland Hazelton Hewitt, Corps of Engineers.  
 First Lieut. Michael Charles Grenata, Corps of Engineers.  
 First Lieut. Preston Wood Smith, Corps of Engineers.  
 First Lieut. Thomas Francis Kern, Corps of Engineers.  
 First Lieut. Ralph Edward Cruse, Corps of Engineers.  
 First Lieut. Lewis Tenney Ross, Corps of Engineers.  
 First Lieut. Charles Francis Baish, Corps of Engineers.  
 First Lieut. Clarence Lionel Adcock, Corps of Engineers.  
 First Lieut. Keryn Ap Rice, Corps of Engineers.  
 First Lieut. Charles Stuart Ward, Corps of Engineers.  
 First Lieut. Henry Morehead Underwood, Corps of Engineers.  
 First Lieut. James Bryan Newman, jr., Corps of Engineers.  
 First Lieut. James Marshall Young, Corps of Engineers.  
 First Lieut. James Creel Marshall, Corps of Engineers.  
 First Lieut. Walter Ernest Lorence, Corps of Engineers.  
 First Lieut. Lucius DuBignon Clay, Corps of Engineers.  
 First Lieut. Lloyd Ernst Mielenz, Corps of Engineers.  
 First Lieut. Pierre Alexander Agnew, Corps of Engineers.  
 First Lieut. Alexander Murray Neilson, Corps of Engineers.  
 First Lieut. Hoel Smith Bishop, jr., Corps of Engineers.  
 First Lieut. Robert Habersham Elliott, Corps of Engineers.  
 First Lieut. Samuel Davis Sturgis, jr., Corps of Engineers.  
 First Lieut. Thomas Hay Nixon, Ordnance Department.  
 First Lieut. Anderson Thomas William Moore, Corps of Engineers.

First Lieut. Reginald Whitaker, Corps of Engineers.  
 First Lieut. Eugene Mead Caffey, Corps of Engineers.  
 First Lieut. Albert Jordan Brandon, Quartermaster Corps.  
 First Lieut. James Laban Alverson, Quartermaster Corps.  
 First Lieut. John Harold Veale, Corps of Engineers.  
 First Lieut. John Lee Hughes, Ordnance Department.  
 First Lieut. Charles Edward Ehle, Quartermaster Corps.  
 First Lieut. John Robert Bailey, Quartermaster Corps.  
 First Lieut. Elmer Edward Adler, Air Service.  
 First Lieut. Joseph Evan Smith, Quartermaster Corps.  
 First Lieut. Robert Joseph Kennedy, Finance Department.  
 First Lieut. Francis Camillus Beebe, Finance Department.  
 First Lieut. Guy Russell Hartrick, Ordnance Department.  
 First Lieut. Edward Joseph Flordan, Quartermaster Corps.  
 First Lieut. Völer V. Viles, Finance Department.  
 First Lieut. Edwin Vivian Dunstan, Quartermaster Corps.  
 First Lieut. Edwin Severett Ross, Infantry.  
 First Lieut. Samuel Thomas Griffith, Quartermaster Corps.  
 First Lieut. Hubert Albert Stecker, Quartermaster Corps.  
 First Lieut. Samuel Clinton Payne, Infantry.  
 First Lieut. Hugh Pigott Oram, Corps of Engineers.  
 First Lieut. Arthur William Beer, Judge Advocate General's Department.  
 First Lieut. Lewis Mitchell McBride, Chemical Warfare Service.

First Lieut. Arthur Cobb, Chemical Warfare Service.  
 First Lieut. Thomas Bayton McGill, Quartermaster Corps.  
 First Lieut. Stuart Cooper, Ordnance Department.  
 First Lieut. Robert Stanley Beard, Quartermaster Corps.  
 First Lieut. Rowan Adams Greer, Judge Advocate General's Department.

First Lieut. Chalmers Dale, Field Artillery.  
 First Lieut. William James Allen, Quartermaster Corps.  
 First Lieut. Henry Spencer Evans, Quartermaster Corps.  
 First Lieut. Ernest Walter Wilson, Finance Department.  
 First Lieut. George Nathaniel Beakley, Judge Advocate General's Department.

First Lieut. Clarence Beryl Werts, Cavalry.

#### APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

##### AIR SERVICE.

Capt. Floyd Emerson Galloway, Infantry, with rank from July 1, 1920.  
 First Lieut. Charles Roehel Forrest, Field Artillery, with rank from July 1, 1920.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate December 4, 1922.*

##### PROMOTIONS, DIPLOMATIC SERVICE.

##### SECRETARY OF EMBASSY OR LEGATION OF CLASS 2.

Williamson S. Howell, jr.  
 Cornelius Van H. Engert.

## SECRETARY OF EMBASSY OR LEGATION OF CLASS 3.

Frederic D. K. LeClercq.  
Harold H. Tittmann, jr.

## SECRETARY OF EMBASSY OR LEGATION OF CLASS 4.\*

(Miss) Lucile Atcherson.

## ASSISTANT ATTORNEY GENERAL.

Augustus T. Seymour to be assistant to the Attorney General.

## UNITED STATES ATTORNEY.

F. G. Boatright to be United States attorney, southern district of Georgia.

## UNITED STATES MARSHAL.

A. R. Eldridge to be United States marshal, northern district of Texas.

## REGISTER OF THE LAND OFFICE.

Peter Michael Larson to be register of the land office at Cass Lake, Minn.

## PROMOTIONS IN THE ARMY.

*To be major generals.*

André Walker Brewster.	George Brand Duncan.
Edward Mann Lewis.	Ernest Hinds.
Edgar Russel.	Robert Lee Howze.
Frank Long Winn.	

*To be brigadier generals.*

Richmond Pearson Davis to be brigadier general, Coast Artillery Corps.

Charles Henry Barth to be brigadier general, Infantry.  
John McAuley Palmer to be brigadier general, Infantry.  
Briant Harris Wells to be brigadier general, Infantry.  
Edward Leonard King to be brigadier general, Cavalry.  
Harold Benjamin Fliske to be brigadier general, Infantry.  
Frank Ross McCoy to be brigadier general, Cavalry.  
Halstead Dorey to be brigadier general, Infantry.  
Hugh Aloysius Drum to be brigadier general, Infantry.  
Stuart Heintzelman to be brigadier general, Cavalry.  
Willoughby Walke to be brigadier general, Coast Artillery Corps.

John Bacon McDonald to be brigadier general, Cavalry.

Franklin Wilmer Ward to be brigadier general, Officers' Reserve Corps.

Albert Lyman Cox to be brigadier general, Officers' Reserve Corps.

Charles Irving Martin to be brigadier general, Officers' Reserve Corps.

## MEDICAL CORPS.

*To be captains.*

First Lieut. George Paul Sandrock.  
First Lieut. Edward Athelstane Casserly.  
First Lieut. Walter Clifton Royals.

## MEDICAL ADMINISTRATIVE CORPS.

*To be first lieutenant.*

Second Lieut. Thomas Grimsley Hester.

## CHAPLAIN.

*To be chaplain with the rank of major.*

Chaplain Stanley Clayton Ramsden.

*To be chaplains with the rank of captain.*

Chaplain John Truman Kendall.  
Chaplain James Aloysius Manley.  
Chaplain Frank Meredith Thompson.  
Chaplain Walter B. Zimmerman.  
Chaplain Jacob Donald Hockman.  
Chaplain Joseph Burt Webster.  
Chaplain Washington Cannon Pinson.

## APPOINTMENTS IN THE ARMY.

*To be second lieutenants.*

Fred Glover Sherrill, Finance Department.  
Sol Marks Lipman, Cavalry.  
Jerome David Cambre, Infantry.  
Eustaquio Bacig y Sabio, Philippine Scouts.  
Burrowes Goldwaite Stevens, Infantry.  
Alexander Thomas McCone, Infantry.  
Thomas Markham Brinkley, Infantry.  
John Kennedy Buchanan, Infantry.  
Beverly St. George Tucker, Ordnance Department.  
Reginald Worth Hubbell, Infantry.  
Lee Earl Gray, Coast Artillery Corps.  
Donald William Sawtelle, Cavalry.  
Paul Wilkins Kendall, Infantry.  
John Franklin Farley, Infantry.

Charles Henry Moore, jr., Infantry.  
James Wentworth Freeman, Infantry.  
Alexander John Mackenzie, Infantry.  
Wiley Vinton Carter, Infantry.  
Ira Platt Swift, Cavalry.  
Wilbur Eugene Dunkelberg, Infantry.  
Arthur Pulsifer, Infantry.  
Farrin Allen Hillard, Infantry.  
Elliott Watkins, Infantry.  
Francis James Gillespie, Infantry.  
Jessie Lewis Gibney, Infantry.  
Robert Hale Vesey, Infantry.  
Clarence Miles Mendenhall, jr., Infantry.  
Kester Lovejoy Hastings, Infantry.  
George McKnight Williamson, jr., Infantry.  
Howard Waite Brimmer, Infantry.  
Charles Milner Smith, jr., Infantry.  
Walter Joseph Muller, Infantry.  
Harry Lovejoy Rogers, jr., Infantry.  
George Bryan Conrad, Infantry.  
William Stephen Murray, Infantry.  
Raymond Wainwright Odor, Infantry.  
James Clyde Welch, Infantry.  
Miner Welsh Bonwell, Infantry.  
John Perry Pence, Infantry.  
Joseph Magoffin Glasgow, Cavalry.  
Elmer Mike Jenkins, Infantry.  
James Lawrence Keasler, Infantry.  
Rutherford Dent McGiffert, Infantry.  
Richard Bryan Wheeler, Infantry.  
Thomas Roswell Aaron, Infantry.  
David Albert Newcomer, Corps of Engineers.  
Alfred Maximillian Gruenther, Field Artillery.  
Herbert Bernard Loper, Corps of Engineers.  
Ivan Crawford Lawrence, Corps of Engineers.  
Williston Birkhimer Palmer, Field Artillery.  
Robert Gibbins Gard, Field Artillery.  
Robert Ammons Hill, Corps of Engineers.  
David Horn Whittier, Ordnance Department.  
Herbert Maury Jones, Field Artillery.  
Fred William Marlow, Corps of Engineers.  
Orville Wells Martin, Field Artillery.  
William Joseph Regan, Corps of Engineers.  
Roy Green, Corps of Engineers.  
Forrest Eugene Cookson, Infantry.  
Alexander Sharp Bennet, Field Artillery.  
George Sheldon Price, Field Artillery.  
Carl Spencer Molitor, Infantry.  
Wyburn Dwight Brown, Field Artillery.  
Robert Miller Montague, Field Artillery.  
Charles Pollard Jones, Field Artillery.  
Anthony Clement McAuliffe, Field Artillery.  
Robert Leonard Johnson, Field Artillery.  
Lester Francis Rhodes, Corps of Engineers.  
Albert Rhett Stuartt Barden, Field Artillery.  
Romeo Francis Regnier, Field Artillery.  
Don Gilmore Shingler, Corps of Engineers.  
Harlan Nelson Hartness, Infantry.  
Louis Brainard Ely, Field Artillery.  
Julius Easton Slack, Field Artillery.  
Bertram Francis Hayford, Field Artillery.  
Ernest Aron Bixby, Field Artillery.  
Robert Rossiter Raymond, jr., Field Artillery.  
Harris Fulford Scherer, Cavalry.  
Thomas Benoit Hedekin, Field Artillery.  
Joseph Vincil Phelps, Field Artillery.  
Charles Norton McFarland, Field Artillery.  
Charles Alvin Pyle, Field Artillery.  
Alexander Griswold Kirby, Field Artillery.  
John Ray Hardin, Corps of Engineers.  
William Wilkeson Barton, Field Artillery.  
Maurice Place Chadwick, Field Artillery.  
Foster Joseph Tate, Field Artillery.  
Carl Robinson, Infantry.  
Richard Tobin Bennison, Field Artillery.  
Henry John Dick Meyer, Field Artillery.  
Elton Foster Hammond, Field Artillery.  
Ernest Marion Brannon, Infantry.  
Francis George McGill, Field Artillery.  
Luther Lyons Hill, Cavalry.  
Oscar Allan Saunders, Field Artillery.  
John Wyville Sheehy, Infantry.  
James Battle Rivers, Cavalry.  
John Joseph Burns, Field Artillery.  
Leslie Edgar Jacoby, Field Artillery.



John Raikes Vance, Infantry.  
 Clarence John Kanaga, Field Artillery.  
 Richard Powell Ovenshine, Infantry.  
 Edwin Virgil Kerr, Field Artillery.  
 Thomas McGregor, Field Artillery.  
 Harrison Howell Dodge Helberg, Cavalry.  
 William Irwin Allen, Coast Artillery Corps.  
 James Edmund Parker, Air Service.  
 William Wesson Jervey, Cavalry.  
 George Raymond Burgess, Coast Artillery Corps.  
 Edward Lynde Strohbehn, Field Artillery.  
 Maurice Keyes Kurtz, Field Artillery.  
 William Holmes Wenstrom, Cavalry.  
 Paul Lewis Harter, Coast Artillery Corps.  
 Leo Clement Paquet, Infantry.  
 Thomas Morris Crawford, Infantry.  
 Eugene McGinley, Field Artillery.  
 Hugh Brownrigg Waddell, Cavalry.  
 Lester Delong Flory, Coast Artillery Corps.  
 Isaac Haiden Ritchie, Coast Artillery Corps.  
 Augustine Francis Shea, Field Artillery.  
 Carlisle Visscher Allan, Infantry.  
 Marion Patton Echols, Field Artillery.  
 Francis Otis Wood, Field Artillery.  
 Hobart Hewett, Coast Artillery Corps.  
 Waldemar Sven Broberg, Ordnance Department.  
 James Holden Phillips, Cavalry.  
 John Edwin Leahy, Cavalry.  
 Frederick Weed Drury, Cavalry.  
 Leander Dunbar Syme, Infantry.  
 Ellis Vern Williamson, Field Artillery.  
 Leroy Clark Wilson, Infantry.  
 Nathaniel Alanson Burnell, 2d, Coast Artillery Corps.  
 John Bartlett Murphy, Field Artillery.  
 James Lowe Harbaugh, jr., Coast Artillery Corps.  
 Virgil Farrar Shaw, Cavalry.  
 Paul Alpheus Noel, Cavalry.  
 Michael Gibson Smith, Field Artillery.  
 Syril Emerson Faine, Infantry.  
 Arthur Maxon Parsons, Infantry.  
 Harry Welling Barrick, Infantry.  
 William Travis Van de Graaff, Infantry.  
 Howard Rand Perry, jr., Infantry.  
 Edward Hamilton Young, Infantry.  
 Nathan Arthur Smith, Infantry.  
 Gerald Saint Clare Mickle, Infantry.  
 Benjamin Randolph Farrar, Infantry.  
 Henry Ellis Sanderson, jr., Field Artillery.  
 Hugh French Thomason Hoffman, Cavalry.  
 David Stanley Holbrook, Cavalry.  
 Walter Scott Winn, jr., Infantry.  
 Willard Gordon Wyman, Cavalry.  
 John Leonard Whitelaw, Infantry.  
 Edward Henry Bowes, Infantry.  
 Edwin Malcolm Sutherland, Infantry.  
 Joseph Andrew Holly, Infantry.  
 Henry Baldwin Nichols, Infantry.  
 William Douglas McNair, Field Artillery.  
 Charles Forrest Wilson, Coast Artillery Corps.  
 Robert Francis Carter, Infantry.  
 Hugh Garnett Elliott, jr., Field Artillery.  
 Nathan Farragut Twining, Infantry.  
 William John Crowe, Cavalry.  
 George Whitfield MacMillan, Coast Artillery Corps.  
 L. Hoyt Rockafellow, Infantry.  
 Percy Emery Hunt, Infantry.  
 Roland William McNamee, Infantry.  
 John Carpenter Raaen, Infantry.  
 Winfred George Skelton, Infantry.  
 Lambert Benel Cain, Infantry.  
 Edmund Bower Seabee, Infantry.  
 Ignatius Lawrence Donnelly, Infantry.  
 Merritt Brandon Booth, Infantry.  
 Raymond Clegg Barlow, Infantry.  
 Frank Greene Davis, Infantry.  
 Emmett James Bean, Infantry.  
 Donald Allen Fay, Infantry.  
 Charles Henry Noble, Cavalry.  
 Walter Towle O'Reilly, Field Artillery.  
 Kenneth Pierce, Infantry.  
 Charles Henry Bryan, Cavalry.  
 John Endler, Infantry.  
 John Howell Collier, Cavalry.  
 Dean Luce, Coast Artillery Corps.  
 Vincent Coyle McAlevy, Cavalry.

George Gordon Elms, Cavalry.  
 John Dimmick Armstrong, Infantry.  
 Ralph Francis Stearley, Cavalry.  
 Donald Handley Nelson, Cavalry.  
 Edward Ora Hopkins, Field Artillery.  
 James Verne Cole, Infantry.  
 Ralph Bernard Kindley, Infantry.  
 John Adams Bruckner, jr., Infantry.  
 Clarence Archibald Frank, Infantry.  
 Frederick Brodstreet Dodge, jr., Coast Artillery Corps.  
 Clarkson Dewoise McNary, Infantry.  
 Bernard Abert Byrne, jr., Infantry.  
 Warren Wilson Christian, Infantry.  
 Dale Wilford Maher, Cavalry.  
 Robert Barrett Hutchins, Infantry.  
 Joseph William Kullman, Infantry.  
 George Dewey Rogers, Infantry.  
 Robert Jones Merrick, Cavalry.  
 William Henry John Dunham, Coast Artillery Corps.  
 Irvin Alexander, Infantry.  
 John Harvey Madison, Coast Artillery Corps.  
 George Edward Bruner, Infantry.  
 Thomas Llewellyn Waters, Coast Artillery Corps.  
 Urban Niblo, Field Artillery.  
 Kenneth Sharp Olson, Infantry.  
 William Leighton McEnery, Cavalry.  
 Robert Montgomery Springer, Infantry.  
 Russell John Nelson, Infantry.  
 Charles Maine Wolff, Coast Artillery Corps.  
 Simon Foss, Infantry.  
 Davis Ward Hale, Cavalry.  
 Edward Melvin Starr, Infantry.  
 Joseph Sladen Bradley, Infantry.  
 Arthur Launcelot Moore, Infantry.  
 Robert William Crichlow, jr., Coast Artillery Corps.  
 Martin Anthony Fennell, Cavalry.  
 Ralph Harris Bassett, Infantry.  
 Harold Allen Brown, Infantry.  
 Albert Sidney Johnston Stovall, jr., Cavalry.  
 Donald Carson Hardin, Infantry.  
 Wayne Clifton Zimmerman, Infantry.  
 John Thomas Keeley, Infantry.  
 James Wellington Boyd, Coast Artillery Corps.  
 Joseph Conrad Odell, Infantry.  
 Josiah Toney Dalbey, Infantry.  
 Logan Osborn Shutt, Infantry.  
 Stuart Little, Infantry.  
 Hilton Edward Heineke, Infantry.  
 Galen Magnus Taylor, Coast Artillery Corps.  
 John Francis Lavagnino, Infantry.  
 Daniel Philip Buckland, Cavalry.  
 Philip McIlvaine Whitney, Infantry.  
 John Morris Works, Field Artillery.  
 Christian Hildebrand, Infantry.  
 Joseph Holleman Warren, Infantry.  
 Edgar Mortimer Gregory, Coast Artillery Corps.  
 John David Frederick, Infantry.  
 Richard Ray Coursey, Infantry.  
 Dwight Lyman Adams, Infantry.  
 Thomas Gordon Cranford, Coast Artillery.  
 Lester George Degnan, Infantry.  
 Henry Bennett Sheets, Infantry.  
 Archie William Cooley, Infantry.  
 William Robert McMaster, Infantry.  
 Cornelius Emmett O'Connor, Infantry.  
 Joseph Alfred Cranston, jr., Infantry.  
 Willard Leslie Isaacs, Infantry.  
 Horace Speed, jr., Coast Artillery Corps.  
 Fred William Makinney, jr., Cavalry.  
 William Benjamin Kean, jr., Infantry.  
 Harold Robert Emery, Infantry.  
 David Sanderson McLean, Infantry.  
 William Joseph Moroney, Infantry.  
 Russell Lowell Williamson, Air Service.  
 Howard Dohla Johnston, Infantry.  
 Franklin Leroy Rash, Infantry.  
 Edgar Harvey Snodgrass, Infantry.  
 Claude Birkett Ferenbaugh, Infantry.  
 Adna Chaffee Hamilton, Infantry.  
 Harold Stuart Ruth, Infantry.  
 Sterling Eugene Whitesides, jr., Infantry.  
 Lewis Stone Sorley, jr., Infantry.  
 Albert Coady Wedemeyer, Infantry.  
 David Best Latimer, Coast Artillery Corps.  
 Roswell Boyle Hart, Infantry.

Halvor Hegland Myrah, Coast Artillery Corps.  
 Herbert Joseph Riess, Infantry.  
 Henry Ignatius Szymanski, Infantry.  
 Ulric Lee Fomby, Infantry.  
 Frederick Brenton Porter, Field Artillery.  
 Bryan Sewall Halter, Infantry.  
 Charles Raymond Gross, Infantry.  
 Charles Hardy Hart, jr., Infantry.  
 Adolphus Rankin McConnell, Air Service.  
 William James Daw, Field Artillery.  
 Louis Bernard Saxe, Quartermaster Corps.  
 George De Vere Barnes, Quartermaster Corps.  
 Paul Robert Menzies Miller, Field Artillery.  
 Albert Smith Rice, Infantry.  
 Charles Linton Williams, Infantry.  
 Charles Ream Jackson, Infantry.  
 Charles Leslie Keerans, jr., Infantry.  
 Fred Cleveland Fishback, Air Service.  
 George Oliver Roberson, Air Service.  
 Kenneth Newton Walker, Air Service.  
 John Lawrence Hanley, Coast Artillery Corps.  
 Stanley Hunsicker Hunsicker, Quartermaster Corps.  
 Neal Henry McKay, Quartermaster Corps.  
 Earl Raymond Adlington, Quartermaster Corps.  
 James Wesley Willford, Quartermaster Corps.  
 Stanleigh Megargee, Quartermaster Corps.  
 Oscar Leslie Rogers, Air Service.  
 Roger Frederic O'Leary, Quartermaster Corps.  
 Joseph Allen Physioc, jr., Air Service.  
 Samuel Perham Mills, Air Service.  
 Edgar Theodore Selzer, Air Service.  
 Albert Joseph Lubbe, Signal Corps.  
 George Raymond Ensminger, Ordnance Department.  
 John Bicknell Luscombe, Quartermaster Corps.  
 Charles Harold Howard, Air Service.  
 Edward Alton Hillery, Air Service.  
 Hugh Sydney Harpole, Quartermaster Corps.  
 Homer William Jones, Quartermaster Corps.  
 Everett Sanford Davis, Air Service.  
 Frank Egerton Powell, Quartermaster Corps.  
 Bradford Nelson Headley, Quartermaster Corps.  
 Frederick Irving Patrick, Air Service.  
 Donald Reuben Goodrich, Air Service.  
 Carl Henry Barrett, Air Service.  
 Francis Hill Kuhn, Quartermaster Corps.  
 John Harvey Wilson, Air Service.  
 John Daniel O'Connell, Quartermaster Corps.  
 Harold Brand, Air Service.  
 Edward Watson Kelley, Infantry.  
 Claud Thomas Gunn, Coast Artillery Corps.  
 Edward Freeman, Philippine Scouts.  
 Herbert Benjamin Wilcox, Infantry.  
 Robert Hilton Eichelsdoerfer, Cavalry.  
 Otto Max Jank, Coast Artillery Corps.  
 James William Smith, Philippine Scouts.  
 Thomas Houston Dameron, Field Artillery.  
 Paul Evert, Air Service.  
 Paul Americas Harris, Coast Artillery Corps.  
 Jefferson Cleveland Campbell, Field Artillery.  
 Hugh Franklin Conrey, Field Artillery.  
 Edwin Clark Maling, Infantry.  
 Richard Head Trippe, Infantry.  
 Paul Edward Jackson, Infantry.  
 O. D. Wells, Infantry.  
 Frank Celestine Meade, Coast Artillery Corps.  
 Paul Wallace Cole, Coast Artillery Corps.  
 Everett Samuel Prouty, Infantry.  
 Charles Speir Lawrence, Infantry.  
 John Corwin Shaw, Infantry.  
 William Cadwalder Price, jr., Infantry.  
 Clarence Matthew Tomlinson, Infantry.  
 Eugene Reedy Guild, Coast Artillery Corps.  
 Julian Buckner Haddon, Air Service.  
 Claude Delorum Collins, Infantry.  
 William Hugh Burns, Field Artillery.  
 William Eldridge Moore, Quartermaster Corps.  
 Osborne Cutler Wood, Infantry.  
 Clem Oliver Gunn, Coast Artillery Corps.  
 Wilber Russell Ellis, Coast Artillery Corps.  
 Donald Weldon Brann, Infantry.  
 George Bernhard Anderson, Coast Artillery Corps.  
 Walter John Wolfe, Coast Artillery Corps.  
 Roswell Emory Round, Infantry.  
 William J. McChesney, jr., Cavalry.  
 Maxwell Michaux Corpening, Field Artillery.

Howard Farmer, Quartermaster Corps.  
 Clyde Harrison Lamb, Infantry.  
 Fred Ross Cowan, Quartermaster Corps.  
 Lester Frank Watson, Quartermaster Corps.  
 William Edwin Vecqueray, Quartermaster Corps.  
 Haynie McCormick, Air Service.  
 Arthur Henry Wolf, Infantry.  
 Albert Theodore Wilson, Infantry.  
 Leonard Vezina, Quartermaster Corps.  
 Hartwell Matthew Elder, Quartermaster Corps.  
 Housan Wayne Duncan, Field Artillery.  
 Park Holland, Air Service.  
 John Gross, Field Artillery.  
 Earle Everette Cox, Cavalry.  
 Thomas Russell Howard, Infantry.  
 Samuel James Adams, Infantry.  
 William Henry Webb, Coast Artillery Corps.  
 Albert Gillian Kelly, Infantry.  
 Wayne McVeigh Pickels, Quartermaster Corps.  
 Owen Russell Marriott, Field Artillery.  
 Frank Joseph Vida, Infantry.  
 Harold Patrick Henry, Infantry.  
 Harry Woldren French, Infantry.  
 Dwight Joseph Canfield, Air Service.  
 Fred Pierce Van Duzee, Infantry.  
 Charles Leland Webber, Air Service.  
 Arthur Gillette Watson, Air Service.  
 Henry Thomson Burtis, Air Service.  
 Burns Beall, Infantry.  
 John Bartlett Hess, Infantry.  
 Allen Francis Haynes, Infantry.  
 Harold Gaslin Sydenham, Infantry.  
 Hugh Cromer Minter, Air Service.  
 George Windle Read, jr., Cavalry.  
 James Barlow Cullum, jr., Corps of Engineers.  
 Francis Hudson Oxx, Corps of Engineers.  
 Thomas Henry Stanley, Corps of Engineers.  
 Donald Greeley White, Corps of Engineers.  
 Henry George Lambert, Corps of Engineers.  
 William Weston Bessell, jr., Corps of Engineers.  
 Charles George Holle, Corps of Engineers.  
 Arthur Martin Andrews, Corps of Engineers.  
 Edward Crosby Harwood, Corps of Engineers.  
 John Wylie Moreland, Corps of Engineers.  
 Wayne Stewart Moore, Corps of Engineers.  
 Henry Franklin Hannis, Corps of Engineers.  
 Arthur Lee McCullough, Corps of Engineers.  
 Edward Albert Routheau, Field Artillery.  
 Theodore Temple Knappen, Corps of Engineers.  
 Godfrey Douglas Adamson, Field Artillery.  
 Wilson Burnett Higgins, Corps of Engineers.  
 Albert Newell Tanner, jr., Corps of Engineers.  
 William Alter Watson, Field Artillery.  
 Frederic Lord Hayden, Coast Artillery Corps.  
 Warren Cressman Rutter, Coast Artillery Corps.  
 Harold Frank Handy, Field Artillery.  
 Richard Clare Partridge, Field Artillery.  
 Edward John McGaw, Field Artillery.  
 Harold Thomas Miller, Corps of Engineers.  
 Volney Archer Poulson, Corps of Engineers.  
 Tyree Rivers Horn, Field Artillery.  
 William Chamberlaine Coe, Coast Artillery Corps.  
 James Woodrow Clark, Corps of Engineers.  
 Joseph Leo Langevin, Field Artillery.  
 William Hardy Hill, Field Artillery.  
 Louis Jacob Claterbos, Corps of Engineers.  
 Auguste Rhu Taylor, Field Artillery.  
 James Kenneth Mitchell, Cavalry.  
 Frank Andrew Henning, Field Artillery.  
 James Malcolm Lewis, Field Artillery.  
 Bernard Linn Robinson, Corps of Engineers.  
 John Robert Culleton, Field Artillery.  
 James Goodrich Renno, Coast Artillery Corps.  
 Charles Steinhart Whitmore, Field Artillery.  
 James Hobson Stratton, Corps of Engineers.  
 Lee Armstead Denson, jr., Coast Artillery Corps.  
 Ewart Gladstone Plank, Corps of Engineers.  
 Lawrence Granger Smith, Cavalry.  
 Edward Haviland Lastayo, Field Artillery.  
 Alexander Romeyn MacMillan, Coast Artillery Corps.  
 Roy Winne Barhydt, Infantry.  
 George DeGraaf, Field Artillery.  
 Lathrop Ray Bullene, Coast Artillery Corps.  
 James Alexander Samouce, Field Artillery.  
 William Wallace Ford, Field Artillery.



George Dewey Vanture, Field Artillery.  
 Pastor Martelino, Philippine Scouts.  
 Harry Earl Fisher, Corps of Engineers.  
 Donald Sylvester Burns, Corps of Engineers.  
 Donald James Leehey, Corps of Engineers.  
 Carl Edwin Berg, Field Artillery.  
 Joseph Eugene Harriman, Coast Artillery Corps.  
 George Joseph Loupret, Coast Artillery Corps.  
 William Squires Wood, jr., Field Artillery.  
 Thomas Arnett Roberts, jr., Field Artillery.  
 Verne Donald Mudge, Cavalry.  
 John Loren Goff, Coast Artillery Corps.  
 Francis Henry Morse, Field Artillery.  
 Edward Macon Edmonson, Field Artillery.  
 William Gordon Holder, Coast Artillery Corps.  
 Halstead Clotworthy Fowler, Coast Artillery Corps.  
 Lyman Louis Lemnitzer, Coast Artillery Corps.  
 Leslie Burgess Downing, Field Artillery.  
 William Ignatius Brady, Field Artillery.  
 Eugene Martin Link, Field Artillery.  
 Charles Himmler, Coast Artillery Corps.  
 John States Seybold, Corps of Engineers.  
 Cornelius Garrison, Field Artillery.  
 William Harry Bartlett, Field Artillery.  
 Donald Breen Herron, Coast Artillery Corps.  
 Edward Clinton Gillette, jr., Field Artillery.  
 Russell Owen Smith, Field Artillery.  
 Freeman Grant Cross, Field Artillery.  
 Rex Van Den Corput, jr., Field Artillery.  
 Homer Watson Kiefer, Field Artillery.  
 James Myron McMillin, Chemical Warfare Service.  
 Joseph Harris, Coast Artillery Corps.  
 John George Howard, Field Artillery.  
 Ford Trimble, Field Artillery.  
 Robert Hugh Kreuter, Coast Artillery Corps.  
 Laurence Wood Bartlett, Coast Artillery Corps.  
 Donald Frank Stace, Air Service.  
 Reynolds Johnson Burt, jr., Corps of Engineers.  
 Edgar Allan Gilbert, jr., Cavalry.  
 Leslie Emmett Mabius, Infantry.  
 John Dickerson Mitchell, Coast Artillery Corps.  
 Clarence Henry Schabaker, Coast Artillery Corps.  
 Ewart Jackson Strickland, Coast Artillery Corps.  
 Fred Lebbeus Hamilton, Cavalry.  
 Robert Snyder Trimble, jr., Coast Artillery Corps.  
 John Francis Cassidy, Coast Artillery Corps.  
 John Foxhall Sturman, jr., Coast Artillery Corps.  
 Joseph Jacob Billo, Infantry.  
 Wilbert Engdahl Shallene, Cavalry.  
 Robert Francis Watt, Infantry.  
 Clarence Clemens Clendenen, Cavalry.  
 William Carleton McFadden, Coast Artillery Corps.  
 Eugene Collum Johnston, Cavalry.  
 James Ludwell Lake, jr., Cavalry.  
 Hugh Whitaker Winslow, Coast Artillery Corps.  
 James Hess Walker, Cavalry.  
 Claude Eugene Haswell, Infantry.  
 Lyman Lincoln Judge, Cavalry.  
 Frank Needham Roberts, Infantry.  
 Francis Henry Lanahan, jr., Field Artillery.  
 Lawrence Edward Schick, Cavalry.  
 Courtney Parker Young, Coast Artillery Corps.  
 Henry Chester Hine, jr., Cavalry.  
 Charles Frederick Beattie, Infantry.  
 John Donald Robertson, Coast Artillery Corps.  
 William Price Withers, Cavalry.  
 Frederick Robert Pitts, Cavalry.  
 Sherman Vitus Hasbrouck, Infantry.  
 Arthur Kenley Hammond, Cavalry.  
 Crump Garvin, Infantry.  
 Martin Charles Casey, Coast Artillery Corps.  
 Hamilton Peyton Ellis, Coast Artillery Corps.  
 Thomas Dresser White, Infantry.  
 Frederick Mixon Harris, Infantry.  
 William Wallace McMillan, Cavalry.  
 Dwight Acker Rosebaum, Infantry.  
 Kenneth Gilpin Hoge, Cavalry.  
 Donald Robert Van Sickler, Field Artillery.  
 Richard Candler Singer, Field Artillery.  
 John Henry Hoffecker Hall, Infantry.  
 Aladin James Hart, Cavalry.  
 Robert Edwards, Cavalry.  
 Jefferson Denman Box, Infantry.  
 William Richter Toney, Infantry.  
 Joseph Honore Rousseau, jr., Coast Artillery.

Lawrence Joseph Carr, Cavalry.  
 Maurice Wiley Daniel, Field Artillery.  
 Alexander Hamilton Perwein, Infantry.  
 Clovis Ethelbert Byers, Cavalry.  
 Tracy Enfield Davis, Infantry.  
 Oscar Raymond Johnston, Infantry.  
 George Andrew Rehm, Cavalry.  
 Edward Carl Engelhart, Coast Artillery Corps.  
 Charles Whitney West, Coast Artillery Corps.  
 Park Brown Herrick, Field Artillery.  
 Herbert Carl Reuter, Coast Artillery Corps.  
 Helmer William Lystad, Infantry.  
 Harold Edward Smyser, Infantry.  
 Esher Claflin Burkart, Cavalry.  
 Thomas Eginton Whitehead, Cavalry.  
 Alexander George, Cavalry.  
 Charles Kenon Gailey, jr., Infantry.  
 Mortimer Frederick Wakefield, Field Artillery.  
 Francis William Farrell, Infantry.  
 Wilmer Brinton Merritt, Coast Artillery Corps.  
 Harry Clark Wischart, Coast Artillery Corps.  
 John Irvin Gregg, jr., Cavalry.  
 Charles Morton Adams, jr., Infantry.  
 Frank Hoben Blodgett, Infantry.  
 John Ferral McBlain, Air Service.  
 Richard Meade Costigan, Field Artillery.  
 Gustave Harold Vogel, Coast Artillery Corps.  
 Basil Girard Thayer, Cavalry.  
 Edward Joseph Sullivan, Chemical Warfare Service.  
 James Perrine Barney, jr., Field Artillery.  
 Wilbur Sturtevant Nye, Field Artillery.  
 Charles Harlan Swartz, Field Artillery.  
 Leland Stuart Smith, Coast Artillery Corps.  
 Carl Frederick Duffner, Infantry.  
 Wilburn Vastine Lunn, Coast Artillery Corps.  
 Millard Pierson, Field Artillery.  
 Francis Ward Walker, Coast Artillery Corps.  
 Harold Oliver Sand, Cavalry.  
 Harlan Thurston McCormick, Air Service.  
 Henry Peter Burgard, 2d, Infantry.  
 Alexander Gilbert Sand, Field Artillery.  
 Ray Olander Welch, Infantry.  
 George William Richard Wilson, Infantry.  
 John Lamont Davidson, Air Service.  
 Julian Erskine Raymond, Infantry.  
 George Honnen, Infantry.  
 Charles Porter Amazeen, Cavalry.  
 Edward Thomas Williams, Field Artillery.  
 Frank Thweatt Searcy, Infantry.  
 George William Bailey, jr., Field Artillery.  
 Henry Kirk Williams, jr., Coast Artillery Corps.  
 Alan Lockhart Fulton, Cavalry.  
 Terrence John Tully, Infantry.  
 Paul Clarence Kelly, Infantry.  
 James Miller Rudolph, Cavalry.  
 William Earl Crist, Infantry.  
 William Roe Brewster, Infantry.  
 Claude Monroe McQuarrie, Infantry.  
 William Lemuel Mitchell, Infantry.  
 Harrison Guinther Travis, Infantry.  
 Escalus Emmert Elliott, Field Artillery.  
 Milton Cogswell Shattuck, Infantry.  
 Joseph Vincent de Paul Dillon, Coast Artillery Corps.  
 Hayden Adriance Sears, Cavalry.  
 Newton Nevada Jacobs, Infantry.  
 John Thomas Lynch, Infantry.  
 John Black Reybold, Cavalry.  
 John Raoul Guiteras, Infantry.  
 William Dickey Long, Infantry.  
 Henry Irving Hodes, Cavalry.  
 Paul Earl Tombaugh, Field Artillery.  
 Harvey Kenneth Greenlaw, Cavalry.  
 William Joel Tudor Yancey, Infantry.  
 Leon Eugene Lichtenwalter, Infantry.  
 Sidney Rae Hinds, Infantry.  
 Halley Grey Maddox, Cavalry.  
 Snowden Ager, Cavalry.  
 John English Nelson, Infantry.  
 Harold Todd Turnbull, Coast Artillery Corps.  
 Hugo Peoples Rush, Infantry.  
 John William Wofford, Cavalry.  
 Wray Bertrand Averá, Field Artillery.  
 Charles Fox Ivins, Infantry.  
 Walter Daniel Buie, Infantry.  
 John Taylor Ward, Cavalry.

John Elmer Reiersen, Coast Artillery Corps.  
 Henry Jackson Hunt, jr., Infantry.  
 Mariano S. Sulit, Philippine Scouts.  
 George Huston Bare, Infantry.  
 Morris Haslett Marcus, Cavalry.  
 Frank Zea Pirkey, Corps of Engineers.  
 Karl William Hisgen, Field Artillery.  
 Joseph Patterson Wardlaw, Field Artillery.  
 James Harry Marsh, Infantry.  
 Francis Warren Crary, Field Artillery.  
 John Baylis Cooley, Cavalry.  
 Selby Francis Little, Field Artillery.  
 Milo Glen Cary, Coast Artillery Corps.  
 Harold Joseph Conway, Coast Artillery Corps.  
 Gustin MacAllister Nelson, Infantry.  
 Frank Joseph Spettel, Infantry.  
 Rupert Harris Johnson, Infantry.  
 Burwell Baylor Wilkes, jr., Infantry.  
 Edward Lowry Taylor, Infantry.  
 John Barry Peirce, Infantry.  
 James Raymond Goodall, Coast Artillery Corps.  
 John Kenneth Sells, Cavalry.  
 Douglas Cameron, Cavalry.  
 Hobert Hayden James, Field Artillery.  
 Eleuterio Susi Yanga, Philippine Scouts.  
 Donald Raymond West, Quartermaster Corps.  
 Robert Thomas Randel, Infantry.  
 Arthur Jennings Grimes, Infantry.  
 Walter Duval Webb, jr., Field Artillery.  
 Ernest Starkey Moon, Air Service.  
 Harry Craven Dayton, Field Artillery.  
 Frank Thomas Honsinger, Air Service.  
 Edward Charles Engelhardt, Field Artillery.  
 Paul Massillion McConihe, Infantry.  
 Chester Arthur Carlsen, Infantry.  
 Joseph Myles Williams, Cavalry.  
 Harold Arthur Doherty, Infantry.  
 James Thomas Dismuke, Infantry.  
 Lewis Eugene Snell, Field Artillery.  
 Stanley Lane Engle, Infantry.  
 Arnold Hoyer Rich, Infantry.  
 Charles Dawson McAllister, Field Artillery.  
 Vincent Joseph Tanzola, Infantry.  
 Edward Albert Banning, Infantry.  
 Frederic de Lannoy Comfort, Cavalry.  
 Henry Laurance Ingham, Field Artillery.  
 Thomas Brown Manuel, Infantry.  
 Percy Earle LeSturgeon, Infantry.  
 George William White, Infantry.  
 Russell Harold Swartzwelder, Infantry.  
 Caryl Rawson Hazeltine, Infantry.  
 Irvin Albert Robinson, Infantry.  
 William Hypes Obenour, Field Artillery.  
 Michael Henry Zwicker, Coast Artillery Corps.  
 James Thorburn Cumberpatch, Air Service.  
 Ralph Roth Wentz, Ordnance Department.  
 Leon Valentine Chaplin, Field Artillery.  
 Daniel Webster Kent, Infantry.  
 Harold Goodspeede Laub, Coast Artillery Corps.  
 Harry Lynch, Signal Corps.  
 George Marion Davis, Infantry.  
 Fay Warren Lee, Field Artillery.  
 Keff Dobbs Barnett, Coast Artillery Corps.  
 Melecio Manuel Santos, Philippine Scouts.  
 Narciso Lopez Manzano, Philippine Scouts.  
 Charles Emmett Cheever, Quartermaster Corps.  
 Vesper Anderson Schlenker, Field Artillery.  
 Harry Meyer, Corps of Engineers.  
 Peter Anthony Feringa, Corps of Engineers.  
 John Russell Perkins, jr., Field Artillery.  
 Edward Barber, Coast Artillery Corps.  
 Edward Hall Walter, Corps of Engineers.  
 David Albert Morris, Corps of Engineers.  
 Juan Segundo Moran, Philippine Scouts.  
 Paul Cone Parshley, Corps of Engineers.  
 Lewis Wellington Call, jr., Coast Artillery Corps.  
 Richardson Selee, Corps of Engineers.  
 Luis Mobo Alba, Philippine Scouts.  
 Don Waters Mayhue, Field Artillery.  
 Charles Harold Crim, Coast Artillery Corps.  
 John Harry, Field Artillery.  
 Harold Oakes Bixby, Coast Artillery Corps.  
 John Bruce Medaris, Infantry.  
 George Randall Scithers, Field Artillery.  
 John Henry Featherston, Coast Artillery Corps.

Charles Andrews Jones, jr., Chemical Warfare Service.  
 William Conrad Jones, Infantry.  
 Hubert Stauffer Miller, Infantry.  
 Edward Harold Coe, Infantry.  
 Allan Eugene Smith, Field Artillery.  
 Daniel Burnett Knight, Infantry.  
 Paul MacKeen Martin, Cavalry.  
 Creswell Garrettson Blakeney, Field Artillery.  
 Louis Jeter Tatom, Signal Corps.  
 George Wythe Bott, jr., Ordnance Department.  
 Louis Watkins Prentiss, Field Artillery.  
 William Edmund Waters, Field Artillery.  
 Joseph Kennard Bush, Infantry.  
 Orlando Clarendon Mood, Infantry.  
 John Oliver Kelly, Coast Artillery Corps.  
 Bert Nathan Bryan, Infantry.  
 Harvie Rogers Matthews, Infantry.  
 Louis Beman Rapp, Cavalry.  
 Edwards Matthews Quigley, Field Artillery.  
 James Breakenridge Clearwater, Field Artillery.  
 Joseph Warren Huntress, jr., Quartermaster Corps.  
 Luther Daniel Wallis, Infantry.  
 William Daniel Bradshaw, Field Artillery.  
 Wesley Tate Guest, Signal Corps.  
 Duncan Philip Frissell, Infantry.  
 Henry Hammond Duval, Coast Artillery Corps.  
 Charles Edward Neagle, Coast Artillery Corps.  
 John William Dwyer, Coast Artillery Corps.  
 Alfred Vepsala, Field Artillery.  
 Edmund C. Langmead, Air Service.  
 Carroll Heiney Deitrick, Ordnance Department.  
 Burton Larrabee Pearce, Field Artillery.  
 Alan Dean Whittaker, jr., Coast Artillery Corps.  
 Lee W. Haney, Infantry.  
 David William Goodrich, Air Service.  
 Franklin Mitchell, Infantry.  
 Wallace Ellsworth Niles, Infantry.  
 Lewis Edward Weston Lepper, Field Artillery.  
 Edward Harris Barr, Field Artillery.  
 James Augustus Whelen, jr., Cavalry.  
 James Roscoe Hamilton, Infantry.  
 Joe Robert Sherr, Signal Corps.  
 Henry Chester Jones, Infantry.  
 Louis Simelson, Infantry.  
 Frank Weddall Simpson, Coast Artillery Corps.  
 Louis Leopold Lesser, Field Artillery.  
 Walter Francis Jennings, Cavalry.  
 Edward Cuyler Applegate, Infantry.  
 Henry Louis Love, Field Artillery.  
 Cranford Coleman Bryan Warden, Infantry.  
 William Dawes Williams, Field Artillery.  
 William Thomas Semmes Roberts, Infantry.  
 McDonald Donegan Weinert, Infantry.  
 John Walker Childs, Signal Corps.  
 Carl Emil Hansen, Coast Artillery Corps.  
 Charles Donald Clay, Infantry.  
 Wilmar Weston Dewitt, Infantry.  
 James Milliken Bevans, Field Artillery.  
 Floyd Raymond Brisack, Field Artillery.  
 Clarence Everett Jackson, Infantry.  
 Edward Joseph Walsh, Infantry.  
 Haydn Purcell Roberts, Field Artillery.  
 Aaron Grayson Dawson, Infantry.  
 Alan Sydney Rush, Infantry.  
 Clifford Cleophas Duell, Field Artillery.  
 Lauren Blakely Hitchcock, Field Artillery.  
 Thomas Archer Bottomley, Infantry.  
 William Orville Collins, Infantry.  
 William Larwill Carr, Field Artillery.  
 Russell George Duff, Field Artillery.  
 Ross Clyde Brackney, Infantry.  
 John Randolph Reilly, Infantry.  
 Roy Prewett Huff, Field Artillery.  
 Herbert John Affleck, Infantry.  
 Nicolas Boadilla Dalao, Philippine Scouts.  
 Lawrence August Dietz, Infantry.  
 Paul Hanes Kemmer, Air Service.  
 Elmo Shingle, Infantry.  
 Richard Sears, Field Artillery.  
 John James Baker, Infantry.  
 George Louis Boyle, Infantry.  
 Robert Brice Johnston, Infantry.  
 Paul Ainsworth Berkey, Field Artillery.  
 Robert Clyde Padley, Coast Artillery Corps.  
 Dana Gray McBride, Cavalry.



Donald Boyer Phillips, Air Service.  
 William Wallace Robertson, Infantry.  
 William Peyton Campbell, Field Artillery.  
 Harry Starkey Aldrich, Coast Artillery Corps.  
 Hugh Perry Adams, Field Artillery.  
 Cecil Elmore Archer, Air Service.  
 Thomas Edward Moore, Field Artillery.  
 Robert Du Val Waring, Field Artillery.  
 Stephen Yates McGiffert, Field Artillery.  
 John Otis Hyatt, Infantry.  
 Louis Meline Merrick, Cavalry.  
 LeRoy Ponton de Arce, Air Service.  
 Lee Roy Woods, jr., Field Artillery.  
 Rox Hunter Donaldson, Field Artillery.  
 Dudley Warren Watkins, Air Service.  
 Arthur Nathaniel Willis, Cavalry.  
 Lyman Perley Whitten, Air Service.  
 Lawrence William Kinney, Field Artillery.  
 Ray Henry Clark, Air Service.  
 Homer Wilbur Ferguson, Field Artillery.  
 Earl Albert Hutchings, Infantry.  
 James Richmond Simpson, Infantry.  
 Philip Schwartz, Ordnance Department.  
 Richard Brown Thornton, Infantry.  
 Pacifico C. Sevilla, Philippine Scouts.  
 Charles Nicholas Senn Ballou, Infantry.  
 John Cyril Delaney, Coast Artillery Corps.  
 Samuel Rubin, Coast Artillery Corps.  
 Donald Wallace Norwood, Air Service.  
 Waldon Sharp Lewis, Infantry.  
 Andrew Julius Evans, Infantry.  
 Paul Corson Howe, Coast Artillery Corps.  
 Albert Ruth, Infantry.  
 Robert Edward Robillard, Air Service.  
 Donald McKechnie Ashton, Infantry.  
 Edward Alfred Mueller, Infantry.  
 Robert William Calvert Wimsatt, Air Service.  
 Amado Martelino, Philippine Scouts.  
 Victor Z. Gomez, Philippine Scouts.  
 David Theodore Rosenthal, Corps of Engineers.  
 Clayton Huddle Studebaker, Field Artillery.  
 Albert James Wick, Coast Artillery Corps.  
 Joseph Brenner, Infantry.  
 Raymond Taylor Tompkins, Field Artillery.  
 George Alfred Arnold Jones, Field Artillery.  
 George Evans Burritt, Field Artillery.  
 William Madison Mack, Signal Corps.  
 Robert Crane Hendley, Field Artillery.  
 Walter J. Klepinger, Field Artillery.  
 Grady David Epps, Infantry.  
 Frank Charles McConnell, Coast Artillery Corps.  
 Dale Phillip Mason, Signal Corps.  
 Donald Fowler Fritch, Field Artillery.  
 Nemesio Catalan, Philippine Scouts.  
 James Madison Callicutt, Field Artillery.  
 Reginald Pond Lyman, Cavalry.  
 James Stuart Wallingford, Infantry.  
 Albert Sidney Howell, jr., Infantry.  
 John Sharpe Griffith, Infantry.  
 Pio Quevedo Caluya, Philippine Scouts.  
 George Work Marvin, Infantry.

#### APPOINTMENTS IN THE REGULAR ARMY.

*To be assistants to the Quartermaster General, with the rank of brigadier general, for a period of four years from date of acceptance.*

John Bellinger Bellinger, Quartermaster Corps.  
 Albert Clayton Dalton, Quartermaster Corps.

#### APPOINTMENTS IN THE ARMY.

##### *To be captains.*

Isaac Gill, jr., Infantry.  
 John Kennard, Cavalry.  
 John Bellinger Thompson, Cavalry.  
 Hamner Huston, Infantry.  
 Jens Anderson Doe, Infantry.  
 Lester Leland Lampert, Infantry.  
 Charles Harrison Corlett, Infantry.  
 Louis Alexander Falligant, Infantry.  
 William Ord Ryan, Field Artillery.  
 William Francis Maher, Field Artillery.  
 Floyd Hatfield, Infantry.  
 Charles Lewis Clifford, Cavalry.  
 Benjamin Seymour Stocker, Infantry.  
 Oscar Otto Kuentz, Corps of Engineers.

Earl Landreth, Infantry.  
 William Edward Raab Covell, Corps of Engineers.  
 Joseph Dogan Arthur, jr., Corps of Engineers.  
 John Stewart Bragdon, Corps of Engineers.  
 George Jacob Richards, Corps of Engineers.  
 John Scott Smylie, Coast Artillery Corps.  
 Lehman Wellington Miller, Corps of Engineers.  
 Douglas Lafayette Weart, Corps of Engineers.  
 Earl Ewart Gesler, Corps of Engineers.  
 Edwin Alexander Bethel, Corps of Engineers.  
 John French Conklin, Corps of Engineers.  
 Alfred Laing Ganahl, Corps of Engineers.  
 John Easter Harris, Corps of Engineers.  
 William Frazer Tompkins, Corps of Engineers.  
 Douglas Hamilton Gillette, Corps of Engineers.  
 Paul Alfred Hodgson, Corps of Engineers.  
 Donald Angus Davison, Corps of Engineers.  
 Henry Spiese Aurand, Ordnance Department.  
 Thomas Bernard Larkin, Corps of Engineers.  
 Edwin Coit Kelton, Corps of Engineers.  
 James Allen Lester, Field Artillery.  
 Mason James Young, Corps of Engineers.  
 Layson Enslow Atkins, Corps of Engineers.  
 Herman Beukema, Field Artillery.  
 Edwin Albert Zundel, Field Artillery.  
 Clinton Wilbur Howard, Air Service.  
 Charles Manly Busbee, Field Artillery.  
 Albert Whitney Waldron, Field Artillery.  
 Parley Doney Parkinson, Infantry.  
 John Hobert Wallace, Field Artillery.  
 Raymond Marsh, Field Artillery.  
 Harold Eugene Small, Coast Artillery Corps.  
 Henry Benton Saylor, Ordnance Department.  
 Joseph May Swing, Field Artillery.  
 Charles Wolcott Ryder, Infantry.  
 Stafford Le Roy Irwin, Field Artillery.  
 Joseph Taggart McNarney, Air Service.  
 Pearson Menohar, Cavalry.  
 Albert Henry Warren, Coast Artillery Corps.  
 Omar Nelson Bradley, Infantry.  
 Paul John Mueller, Infantry.  
 Leland Stanford Hobbs, Infantry.  
 John Frederick Kahle, Coast Artillery Corps.  
 Edwin Boman Lyon, Air Service.  
 Reinold Helberg, Coast Artillery Corps.  
 Clarence Brewster Lindner, Coast Artillery Corps.  
 John Henry Cochran, Coast Artillery Corps.  
 Carl Conrad Bank, Field Artillery.  
 Charles Calvert Benedict, Air Service.  
 Vernon Evans, Infantry.  
 Roscoe Barnett Woodruff, Infantry.  
 Joseph Jesse Teter, Coast Artillery Corps.  
 Lewis Clarke Davidson, Infantry.  
 Dwight David Eisenhower, Infantry.  
 George Hume Peabody, Air Service.  
 Martin John O'Brien, Coast Artillery Corps.  
 Joseph Cumming Haw, Coast Artillery Corps.  
 James Basevi Ord, Infantry.  
 Earl Larue Naiden, Air Service.  
 Henry McElderry Pendleton, Cavalry.  
 Iverson Brooks Summers, jr., Coast Artillery Corps.  
 Edmund de Treville Ellis, Quartermaster Corps.  
 Robert William Strong, Cavalry.  
 Clifford Randall Jones, Coast Artillery Corps.  
 John Beugnot Wogan, Field Artillery.  
 Clesen Henry Tenney, Coast Artillery Corps.  
 Clifford Barrington King, Field Artillery.  
 Frank Edwin Emery, jr., Coast Artillery Corps.  
 Edward Caswell Wallington, Chemical Warfare Service.  
 Carl Ernest Hocker, Coast Artillery Corps.  
 John William Leonard, Infantry.  
 Richmond Trumbull Gibson, Coast Artillery Corps.  
 Edward Campbell McGuire, Cavalry.  
 Clyde Raymond Elensschmidt, Infantry.  
 John McDonald Thompson, Cavalry.  
 James Alward VanFleet, Infantry.  
 Edward Gill Sherburne, Infantry.  
 Walter Wood Hess, jr., Field Artillery.  
 Michael Frank Davis, Air Service.  
 John Fuller Davis, Cavalry.  
 Stuart Clarence MacDonald, Infantry.  
 Metcalfe Reed, Infantry.  
 Hubert Reilly Harmon, Air Service.  
 Benjamin Greiley Ferris, Infantry.  
 Charles Samuel Ritchel, Infantry.

Thomas Guerdon Hearn, Infantry.  
 Joseph Daly Coughlan, Field Artillery.  
 Reese Maughan Howell, Field Artillery.  
 Henry Jervis Friese Miller, Air Service.  
 Alfred Schrieber Balsam, Infantry.  
 Howard Donnelly, Infantry.  
 Anastacio Quevedo Ver, Philippine Scouts.  
 John Nicholas Robinson, Infantry.  
 Victor Vaughan Taylor, Cavalry.  
 Tom Fox, Infantry.  
 Thomas James Hanley, jr., Air Service.  
 Jacob John Gerhardt, Infantry.  
 Leo Andrew Walton, Air Service.  
 Ralph Pittman Cousins, Air Service.  
 Charles Hosmer Chapin, Coast Artillery Corps.  
 William Putnam Cherrington, Coast Artillery Corps.  
 John Franklin Stevens, Cavalry.  
 Charles Robert Finley, Coast Artillery Corps.  
 Vernon Edwin Prichard, Infantry.  
 Adlai Howard Gilkeson, Air Service.  
 Gilbert Smith Brownell, Infantry.  
 Richard Carlton Stickney, Infantry.  
 Edward James Dwan, Cavalry.  
 Jesse Beeson Hunt, Field Artillery.  
 John Ross Mendenhall, Infantry.  
 Norman Randolph, Infantry.  
 Joseph Monroe Murphy, Infantry.  
 George Edward Stratemeyer, Air Service.  
 Eustis Lloyd Hubbard, Cavalry.  
 Frederic William Boye, Cavalry.  
 Leroy Hugh Watson, Infantry.  
 Karl Hartman Gorman, Cavalry.  
 Henry Harold Dabney, Infantry.  
 Arthur Arnim White, Field Artillery.  
 John Keliher, Field Artillery.  
 Benjamin Willis Mills, Infantry.  
 Thomas Fenton Taylor, Infantry.  
 Marshall Henry Quesenberry, Infantry.  
 Manuel Font, Infantry.  
 Daniel Allman Connor, Field Artillery.  
 George Mayo, Corps of Engineers.  
 Paul Theodore Bock, Air Service.  
 Arthur Peter von Deesten, Corps of Engineers.  
 Herbert Spencer Struble, Field Artillery.  
 Eugene Coffin, Finance Department.  
 Francis Jewett Baker, Finance Department.  
 Eugene Owen Hopkins, Finance Department.  
 Dana Woods Morey, Finance Department.  
 Selden Brooke Armat, Finance Department.  
 George Zinn Eckels, Finance Department.  
 Jerome Clark, Finance Department.  
 Louis Maloney Thibadeau, Finance Department.  
 Clarence Maynard Exley, Finance Department.  
 Otto Wilhelm Gralund, Finance Department.  
 Horace Grattan Foster, Finance Department.  
 James MacKay, Finance Department.  
 Thomas Scott Pugh, Finance Department.  
 Stephen Roscoe Beard, Finance Department.  
 George Nicoll Watson, Finance Department.  
 Guy Russell Doane, Finance Department.  
 Emmet Crawford Morton, Finance Department.  
 Harold George Salmon, Finance Department.  
 Archie Henry Willis, Finance Department.  
 Edward Tiffin Comegys, Finance Department.  
 Harrison Willard Smith, Quartermaster Corps.  
 Horace Grant Rice, Finance Department.  
 Charles Russell Insley, Finance Department.  
 Wilhelm P. A. T. von Hartung, Finance Department.  
 Montgomery Taft Legg, Finance Department.  
 James Asa Marmon, Finance Department.  
 Walter Davis Dabney, Finance Department.  
 Percy Gabriel Hoyt, Finance Department.  
 William Alexander MacNicholl, Finance Department.  
 Carl Halla, Finance Department.  
 Charles Franklin Eddy, Finance Department.  
 William Maynard Dixon, Finance Department.  
 Richard LeRoy Cave, Finance Department.  
 Alfred James Maxwell, Finance Department.  
 Orva Earl Beezley, Finance Department.  
 Frank Elmer Parker, Finance Department.  
 Edwin Fairbrother Ely, Finance Department.  
 Raymond George Moses, Corps of Engineers.  
 Wilhelm Delp Styer, Corps of Engineers.  
 Charles Holmes Cunningham, Corps of Engineers.

Dwight Frederick Johns, Corps of Engineers.  
 William Arthur Snow, Corps of Engineers.  
 Thomas Dewees Finley, Infantry.  
 Elroy Sandy Jackson Irvine, Corps of Engineers.  
 Stanley Eric Reinhart, Field Artillery.  
 Notley Young DuHamel, Corps of Engineers.  
 Robert George Guyer, Corps of Engineers.  
 Dean Hudnutt, Field Artillery.  
 Louis Emerson Hibbs, Field Artillery.  
 Robert Allen Sharrer, Corps of Engineers.  
 Ludson Dixon Worsham, Corps of Engineers.  
 Horace Logan McBride, Field Artillery.  
 Ralph Gillett Barrows, Corps of Engineers.  
 Holland Luley Robb, Corps of Engineers.  
 Hamilton Ewing Maguire, Field Artillery.  
 Ray Corrigan Rutherford, Field Artillery.  
 Frederick Walker Bonfils, Corps of Engineers.  
 Robert Reese Neyland, jr., Corps of Engineers.  
 William Morris Hoge, jr., Corps of Engineers.  
 William Roscoe Woodward, Field Artillery.  
 Stanley Lonzo Scott, Corps of Engineers.  
 Tattnall Daniell Simkins, Corps of Engineers.  
 Henry Crampton Jones, Field Artillery.  
 Leslie Thomas Saul, Infantry.  
 Carl Lee Marriott, Coast Artillery Corps.  
 James Arthur Pickering, Field Artillery.  
 James Knox Cockrell, Cavalry.  
 William Spence, Field Artillery.  
 Willis McDonald Chapin, Coast Artillery Corps.  
 Fred Beeler Inglis, Field Artillery.  
 Robert Bruce McBride, jr., Field Artillery.  
 Paul Vincent Kane, Field Artillery.  
 DeRosey Carroll Cabell, jr., Ordnance Department.  
 Ralph Irvine Sasse, Cavalry.  
 William Ewen Shipp, Cavalry.  
 Carl Smith Doney, Coast Artillery Corps.  
 William Heatt Cureton, Field Artillery.  
 Fay Brink Prickett, Field Artillery.  
 Calvin DeWitt, jr., Cavalry.  
 James Mitchell Crane, Field Artillery.  
 Lucien Samuel Spicer Berry, Cavalry.  
 Victor William Beck Wales, Cavalry.  
 William Earl Chambers, Infantry.  
 Joseph Merit Tully, Cavalry.  
 Warner William Carr, Infantry.  
 Hugh Mitchell, Signal Corps.  
 Robert LeCrow Walsh, Air Service.  
 Richard Mar Levy, Coast Artillery Corps.  
 Thomas Lyle Martin, Infantry.  
 Geoffrey Prescott Baldwin, Infantry.  
 John Bennington Bennet, Infantry.  
 Kenneth Macomb Halpine, Infantry.  
 George Sidney Andrew, Cavalry.  
 Roland Paget Shugg, Field Artillery.

*To be first lieutenants.*

Oliver Wendell Broberg, Air Service.  
 Clarence Earle Lovejoy, Infantry.  
 Richard Sylvester Gessford, Infantry.  
 Benjamin Mills Crenshaw, Infantry.  
 Curtis Loyd Stafford, Cavalry.  
 Alexander Garrett Olsen, Cavalry.  
 Robert Kauch, Air Service.  
 Arthur Riehl Wilson, Field Artillery.  
 John Major Reynolds, Field Artillery.  
 Basil Vernon Fields, Infantry.  
 Bickford Edward Sawyer, Cavalry.  
 Irwin Samuel Dierking, Infantry.  
 Donald Boyer Rogers, Field Artillery.  
 Clinton Fisk Woolsey, Air Service.  
 Joseph Bartholomew Conmy, Infantry.  
 William Randolph Watson, Infantry.  
 George Curtis McFarland, Coast Artillery Corps.  
 Collin Stafford Myers, Infantry.  
 John Peter Neu, Quartermaster Corps.  
 William Herschel Middleswart, Quartermaster Corps.  
 Arden Clucas Miller, Field Artillery.  
 Frank Sims Mansfield, Infantry.  
 Ralph C. G. Nemo, Infantry.  
 Ross Franklin Cole, Air Service.  
 Oakley Leigh Sanders, Cavalry.  
 Kenneth Smith Anderson, Infantry.  
 John Pinnix Lake, Infantry.  
 Heston Rarick Cole, Corps of Engineers.



Russel Burton Reynolds, Infantry.  
 Harold Douglas Dinsmore, Infantry.  
 Paul Clarence Boylan, Field Artillery.  
 Ralph Floyd Love, Infantry.  
 William Irving Sherwood, Infantry.  
 Charles Wilkes Christenberry, Infantry.  
 Charles Andrew Beaucond, Infantry.  
 Stewart Franklin Miller, Field Artillery.  
 Hugh Campbell Parker, Infantry.  
 Loyal Moyer Haynes, Field Artillery.  
 Floyd Marshall, Infantry.  
 William Carey Lee, Infantry.  
 Cecil John Cridley, Infantry.  
 Leonard Henderson Sims, Infantry.  
 John Edwin Ray, Infantry.  
 Roy Thomas Barrett, Coast Artillery Corps.  
 Clyde Lloyd Hyssong, Infantry.  
 John Jeremiah Bachman, Field Artillery.  
 Raymond Jay Williamson, Infantry.  
 Vere Painter, Quartermaster Corps.  
 Walter Julius Ungethuem, Infantry.  
 Thomas Boroughs Richardson, Infantry.  
 Samuel Wilber Stephens, Infantry.  
 Richard Cohron Lowry, Coast Artillery Corps.  
 Albert Edgar Billing, Infantry.  
 Robert Oney Wright, Cavalry.  
 Edwin Todd Wheatley, Infantry.  
 John Hudspeth Crozier, Infantry.  
 John Winthrop Mott, Infantry.  
 Jess Garnett Boykin, Cavalry.  
 John Charles MacDonald, Infantry.  
 Harvey Shelton, Infantry.  
 Thomas Robert Gibson, Infantry.  
 Hugh Bryan Hester, Field Artillery.  
 James Mahon Roamer, Infantry.  
 Maylon Edward Scott, Field Artillery.  
 Lewis Burnham Rock, Infantry.  
 Charles Moorman Hurt, Cavalry.  
 James Dallace Bender, Infantry.  
 Louis Howard Thompson, Coast Artillery Corps.  
 Ellis Bates, Infantry.  
 George Pryor Johnson, Air Service.  
 Clyde Virginius Flinter, Air Service.  
 Michael Condon Shea, Field Artillery.  
 Paul Dillard Carter, Infantry.  
 Charles John Wynne, Quartermaster Corps.  
 Paul Henry Weiland, Field Artillery.  
 Marvin Wade Marsh, Infantry.  
 Holland Spencer Chamness, Infantry.  
 Julian Horace George, Infantry.  
 William Camillus Kabrich, Coast Artillery Corps.  
 Frank Upton Greer, Infantry.  
 Laurin Lyman Williams, Infantry.  
 Anderson Hassell Norton, Cavalry.  
 Henry Christopher Harrison, jr., Field Artillery.  
 Hanford Nichols Lockwood, jr., Field Artillery.  
 John Markham Ferguson, Infantry.  
 Joseph Saunders Johnson, jr., Infantry.  
 John Calvin Sandlin, Infantry.  
 Clarence Eugene Brand, Coast Artillery Corps.  
 Leslie Eugene Bowman, Quartermaster Corps.  
 Alonzo Patrick Fox, Infantry.  
 Hugh Joseph Gaffey, Field Artillery.  
 Horace Benjamin Smith, Infantry.  
 Joseph Addison DuBois, Infantry.  
 Barlow Winston, Infantry.  
 Maurice Rose, Infantry.  
 Florain Dennis Giles, Infantry.  
 Chester Morse Willingham, Infantry.  
 Gene Russell Manger, Cavalry.  
 Joseph Jerome Fraser, Infantry.  
 Frank L. Burns, Infantry.  
 Harold Edwards Stow, Infantry.  
 William Burl Johnson, Quartermaster Corps.  
 Wilfred Hill Steward, Infantry.  
 Merl Louis Broderick, Infantry.  
 Winfield Rose McKay, Infantry.  
 Lester Austin Webb, Infantry.  
 Samuel Lewis Buracker, Infantry.  
 Arthur Edwin Burnap, Infantry.  
 James Harrison Donahue, Infantry.  
 David Almedus Bissett, Infantry.  
 Thomas Patrick Walsh, Coast Artillery Corps.  
 Warren Benedict Scanlon, Infantry.  
 William Robert Hamby, Cavalry.

Buckner Miller Creel, Cavalry.  
 Henry Winter Borntraeger, Infantry.  
 Edwin Rudolph Petzing, Signal Corps.  
 Richard Carvel Mallonee, Field Artillery.  
 Theodore Ernest Voigt, Cavalry.  
 Douglas Johnston, Air Service.  
 Lawrence Pradere Hickey, Air Service.  
 Severn Teackle Wallis, jr., Field Artillery.  
 Charles Murray Rees, Infantry.  
 William May, Infantry.  
 Samuel Tankersley Williams, Infantry.  
 Harold Herbert Fisher, Infantry.  
 Silas Warren Robertson, Cavalry.  
 Donald Van Himan Bonnett, Infantry.  
 William Henry Johnson, Infantry.  
 Egbert Jansen Buckbee, Quartermaster Corps.  
 Ernest Andrew Reynolds, Quartermaster Corps.  
 James Donison Carter, Philippine Scouts.  
 George Warren Cooke, Finance Department.  
 Shiras Alexander Blair, Air Service.  
 Amos Tyree, Quartermaster Corps.  
 Charles Otway Carter, Quartermaster Corps.  
 Anton Zeman, Quartermaster Corps.  
 Franklin Denwood Shawn, Quartermaster Corps.  
 Charles Stalsburg, Quartermaster Corps.  
 Henry Mackay Shaw, Field Artillery.  
 Charles Julius Isley, Quartermaster Corps.  
 Ralph Hibbler Bogle, Quartermaster Corps.  
 Henry John Hunker, Quartermaster Corps.  
 Frederick Eugene Hagen, Quartermaster Corps.  
 Murdock Allen McFadden, Quartermaster Corps.  
 Clifford Michael Ollivetti, Judge Advocate General's Department.  
 Woodbury Freeman Pride, Cavalry.  
 John Wesley Orcutt, Ordnance Department.  
 Vance Whiting Batchelor, Cavalry.  
 Norman Paul Williams, Infantry.  
 Lewis Conway Baird, Quartermaster Corps.  
 Robert Grant Cousley, Infantry.  
 Roland Capel Bower, Quartermaster Corps.  
 David Grove, Quartermaster Corps.  
 Ernest Ward Ely, Infantry.  
 John Archie King, Quartermaster Corps.  
 James Horace Barbin, Infantry.  
 Wiley Hubbard O'Mohundro, Infantry.  
 Charles Leonard Charlebois, Quartermaster Corps.  
 George Harrison Harrell, Quartermaster Corps.  
 James Wight Van Osten, Signal Corps.  
 Herman Henry Pohl, Corps of Engineers.  
 Gerald Alford Counts, Corps of Engineers.  
 Hiram Baldwin Ely, Ordnance Department.  
 Kenneth Mason Moore, Corps of Engineers.  
 Edmond Harrison Levy, Corps of Engineers.  
 Thomas Dodson Stamps, Corps of Engineers.  
 Bartley Marcus Harloe, Corps of Engineers.  
 Girard Blakesley Troland, Corps of Engineers.  
 William Oliver Reeder, Field Artillery.  
 William Robert Gerhardt, Field Artillery.  
 Theodore Earl Buechler, Field Artillery.  
 Herman Uth Wagner, Ordnance Department.  
 Theodore Leslie Futch, Field Artillery.  
 Russell Luff Meredith, Air Service.  
 William Innes Wilson, Ordnance Department.  
 Harold Allum Oooney, Field Artillery.  
 Henry Anson Barber, jr., Infantry.  
 Miles Andrew Cowles, Field Artillery.  
 Lawrence McCeney Jones, Field Artillery.  
 Gordon Graham Helner, jr., Field Artillery.  
 George Walter Hirsch, Ordnance Department.  
 Forrest Clifford Shaffer, Ordnance Department.  
 Frank Fenton Reed, Coast Artillery Corps.  
 John Will Coffey, Ordnance Department.  
 Grayson Cooper Woodbury, Ordnance Department.  
 Robert Alston Willard, Infantry.  
 Clyde Hobart Morgan, Coast Artillery Corps.  
 Robert Wilson Hasbrouck, Field Artillery.  
 John Taylor deCamp, Coast Artillery Corps.  
 Sargent Prentiss Huff, Coast Artillery Corps.  
 William Henry Donaldson, jr., Coast Artillery Corps.  
 Duncan Gregor McGregor, Ordnance Department.  
 Thomas Jackson Heavey, Cavalry.  
 Henry Maris Black, Chemical Warfare Service.  
 Wallace Francis Safford, Cavalry.  
 Willard David Murphy, Coast Artillery Corps.  
 Joshua Ashley Stansell, Signal Corps.

John Marcus Erwin, Ordnance Department.  
 Fidel Segundo y Ventura, Philippine Scouts.  
 Raymond Eccleston Williamson, Cavalry.  
 David Charles George Schlenker, Cavalry.  
 John Richard Wilmot Diehl, Cavalry.  
 Rudolph Daniel Delehanty, Field Artillery.  
 William Henry Whiting Reinburg, Cavalry.  
 Elmer Hugo Almquist, Field Artillery.  
 Frank Leslie Carr, Cavalry.  
 Frank Edmund Bertholet, Cavalry.  
 Marion Carson, Cavalry.  
 Rossiter Hunt Garity, Cavalry.  
 Salvador Formoso Reyes, Philippine Scouts.  
 Frank Charles Jedlicka, Field Artillery.  
 Robert MacDonald Graham, Cavalry.  
 Leo Buffington Conner, Cavalry.  
 Arthur Burnola Custis, Ordnance Department.  
 Loyd Van Horne Durfee, Infantry.  
 Desmond O'Keefe, Field Artillery.  
 Hal Marney Rose, Cavalry.  
 John Ter Bush Bissell, Field Artillery.  
 John Bellinger Bellinger, jr., Ordnance Department.  
 George Senseny Eyster, Infantry.  
 Henry Richard Anderson, Infantry.  
 William McCaskey Chapman, Infantry.  
 Norman McNeill, Infantry.  
 Glen Henry Anderson, Infantry.  
 Bryant Edward Moore, Infantry.  
 Leo Vincent Warner, Field Artillery.  
 Howard Alston Deas, Infantry.  
 Henry William Bobrink, Infantry.  
 Onslow Sherburne Rolfe, Infantry.  
 Henry Perkins Gantt, Field Artillery.  
 Jesse Brooke Matlack, Infantry.  
 Parry Weaver Lewis, Coast Artillery Corps.  
 Edward Wrenne Timberlake, Coast Artillery Corps.  
 William Wallace Jenna, Infantry.  
 William Richard Fleming, Infantry.  
 Francis Porter Simpson, Infantry.  
 Harry Cooper Barnes, jr., Coast Artillery Corps.  
 Robert John Hoffman, Infantry.  
 Clare Wallace Woodward, Infantry.  
 John Stevenson Mallory, Field Artillery.  
 Frederick Dent Sharp, Field Artillery.  
 William Sydney Barrett, Chemical Warfare Service.  
 Paul Ryan Goode, Infantry.  
 Harry Niles Rising, Infantry.  
 Henry Cornelius Demuth, Field Artillery.  
 Lowell Hecker Riley, Infantry.  
 Emil Krause, Infantry.  
 Robert Lynn Bacon, Infantry.  
 Edwin Jacob House, Air Service.  
 Arthur Charles Purvis, Infantry.  
 James Jackson Hea, Infantry.  
 Carlisle Britannia Wilson, Infantry.  
 Harold Lewis Milan, Infantry.  
 Horace Harding, Field Artillery.  
 Fred Ernest Davis, Quartermaster Corps.  
 Reuben Lee Fain, Quartermaster Corps.  
 George Darryll Gamble, Quartermaster Corps.  
 Carey Edwin Goodwyn, Quartermaster Corps.  
 Edmund Graham West, Quartermaster Corps.  
 Joseph Idus Lambert, Cavalry.  
 Clarence Nelson Iry, Corps of Engineers.  
 Adolphe St. Armant Fairbanks, Corps of Engineers.  
 Joseph Worth Timmons, jr., Quartermaster Corps.  
 Edward Eccles, Quartermaster Corps.  
 John William Mayben, Quartermaster Corps.  
 Edward Raeder, Quartermaster Corps.  
 William Edward Chase Elkington, Quartermaster Corps.  
 Roy Claire Wells, Cavalry.  
 Hugh Whitt, Quartermaster Corps.  
 John Smith Scally, Quartermaster Corps.  
 Charles Frederick Wilson, Quartermaster Corps.  
 Fred William Crisp, Coast Artillery Corps.  
 Allen William Pollitt, Quartermaster Corps.  
 Ray Aloysius Dunn, Air Service.  
 Hamilton Hall Treager Glessner, Signal Corps.  
 Irwin Wilson Guth, Quartermaster Corps.  
 Livingston Swentzel, Signal Corps.  
 Elbert Cock, Quartermaster Corps.  
 Crawford McWann Kellogg, Chemical Warfare Service.  
 William Frank Johnson, Infantry.  
 Frank Dennison Wheeler, Quartermaster Corps.

James Anderson Belrne Gibson, Ordnance Department.  
 Herbert Allen Gardner, Quartermaster Corps.  
 Frederick Fostee Christine, Air Service.  
 Albert Lobitz, Quartermaster Corps.  
 Patrick Kelly, Quartermaster Corps.  
 Birnie Lee Brunson, Finance Department.  
 Simon Jacobson, Quartermaster Corps.  
 Edward William Lachmiller, Quartermaster Corps.  
 Talmage Phillips, Quartermaster Corps.  
 John Paul Tillman, Quartermaster Corps.  
 George Wilbur McEntire, Air Service.  
 John Newport Greene, Cavalry.  
 Charles Harrison Brammell, Field Artillery.  
 George Hebard Pryor, Quartermaster Corps.  
 John Aubrey Wheeler, Ordnance Department.  
 Frank Arthur Hertz, Quartermaster Corps.  
 Asa Jeremiah Etheridge, Air Service.  
 Earl Spiker Schofield, Air Service.  
 Arthur Walter Stanley, Quartermaster Corps.  
 Henry James Conner, Quartermaster Corps.  
 Arthur Emel Simonin, Air Service.  
 Paul Frederick Huber, Quartermaster Corps.  
 Graves Barney McCary, Quartermaster Corps.  
 Frank O'Driscoll Hunter, Air Service.  
 Arthur William Parker, Quartermaster Corps.  
 Herbert Lee Jackson, Cavalry.  
 Randolph James Hernandez, Quartermaster Corps.  
 David Sidney Seaton, Air Service.  
 Schenk Henry Griffin, Corps of Engineers.  
 Harold Huston George, Air Service.  
 Alden Harry Waitt, Chemical Warfare Service.  
 Sterling Clifton Robertson, Infantry.  
 Charles Walton Cameron, Quartermaster Corps.  
 Richard Landrum Smith, Corps of Engineers.  
 Harold Arthur Barnes, Quartermaster Corps.  
 Arthur Edwin Danielson, Quartermaster Corps.  
 William Hammond Waugh, Corps of Engineers.  
 Clarence Barnard, Ordnance Department.  
 John Leland Corbett, Quartermaster Corps.  
 Paul Lindsay Beard, Quartermaster Corps.  
 Joseph Lawrence Aman, Ordnance Department.  
 Nels Johnson Thorud, Quartermaster Corps.  
 Walter Jay Reed, Air Service.  
 St. Clair Streett, Air Service.  
 Walter Sutherland Bramble, Quartermaster Corps.  
 Harry Diffenbaugh, Quartermaster Corps.  
 Ranald Trevor Adams, Infantry.  
 John Van Ness Ingram, Quartermaster Corps.  
 James Stevenson Crawford, Ordnance Department.  
 Andrew Jackson Nichols, Infantry.  
 Archie Donald Cameron, Infantry.  
 Henry Bert Knowles, Quartermaster Corps.  
 Stewart Hancock Elliott, Ordnance Department.  
 John Conrad Christophel, Quartermaster Corps.  
 Asa Irwin, Quartermaster Corps.  
 Donald Marion McRae, Infantry.  
 John Aloysius Broderick, Quartermaster Corps.  
 Malcolm Douglas Grimes, Quartermaster Corps.  
 Roger Shaw McCullough, Air Service.  
 Franklin Overheiser, Quartermaster Corps.  
 Frank Morell, Quartermaster Corps.  
 Peter Shemonsky, Quartermaster Corps.  
 William Mathew Lerner, Quartermaster Corps.  
 Charles Bertrand Wickins, Quartermaster Corps.  
 Mahlon Kirkbride Taylor, Quartermaster Corps.  
 Van Leslie Prather, Quartermaster Corps.  
 William Hunt Roach, Quartermaster Corps.  
 Edward Peter Doyle, Quartermaster Corps.  
 Carl Bierwirth Searing, Infantry.  
 Robert Lake Miller, Quartermaster Corps.  
 Ralph Eli Fleischer, Quartermaster Corps.  
 Robert Oliver White, Quartermaster Corps.  
 William Foelsing, Quartermaster Corps.  
 Charles William Dietz, Quartermaster Corps.  
 Walter Lane Shearman, Quartermaster Corps.  
 Roy Marsh McCutchen, Corps of Engineers.  
 Aubrey Hoodenpyl Bond, Corps of Engineers.  
 Hubert Walter Collins, Corps of Engineers.  
 Frank Bowman Hastie, Corps of Engineers.  
 Bennet Hart Bowley, jr., Corps of Engineers.  
 Robert Dorrance Ingalls, Corps of Engineers.  
 Walter Lyman Medding, Corps of Engineers.  
 Albert Carl Lieber, jr., Corps of Engineers.  
 William Clair Atwater, Corps of Engineers.



George Jacob Nold, Corps of Engineers.  
 Charles Alexander Brinkley, Quartermaster Corps.  
 Hugh Franklin Ewing, Quartermaster Corps.  
 Samuel Howes Baker, Quartermaster Corps.  
 Elisha Kenneth Henson, Quartermaster Corps.  
 John Isham Moore, Air Service.  
 Lloyd Milton Garner, Quartermaster Corps.  
 John Parr Temple, Air Service.  
 Vance Lawton Richmond, Infantry.  
 Earle Trask Loucks, Infantry.  
 Harris Markham Findlay, Field Artillery.  
 Russell Crayden Winchester, Cavalry.  
 George Hunter Passmore, Infantry.  
 James Stevenson Rodwell, Cavalry.  
 George Orenthus Allen Daughtry, jr., Infantry.  
 Kirk Broaddus, Cavalry.  
 Newton Gale Bush, Infantry.  
 Paolo Hoffoss Sperati, Infantry.  
 LeRoy Welling Nichols, Infantry.  
 Harvey Julius Silvestone, Infantry.  
 Charles Martin Chamberlain, jr., Infantry.  
 LeRoy Allen Whittaker, Coast Artillery Corps.  
 Harry Barnes Sepulveda, Infantry.  
 Samuel Charles Skemp, Air Service.  
 John Robert Hubbard, Quartermaster Corps.  
 Oliver Stevenson Person, Air Service.  
 Robert Gale Breene, Cavalry.  
 George Abe Woody, Ordnance Department.  
 Thomas Kenneth Vincent, Ordnance Department.  
 Samuel Littler Metcalfe, Infantry.  
 Geoffrey Maurice O'Connell, Coast Artillery Corps.  
 Frank Wilbur Halsey, Infantry.  
 Kirby Green, Infantry.  
 Myron Joseph Conway, Infantry.  
 Hollis Benjamin Hoyt, Infantry.  
 Arthur Foster Gilmore, Coast Artillery Corps.  
 John August Otto, Infantry.  
 Joseph Burton Sweet, Infantry.  
 William Quinntillus Jeffords, jr., Coast Artillery Corps.  
 Carland Cuzorte Black, Cavalry.  
 George Anthony Patrick, Coast Artillery Corps.  
 Joseph Andral Nichols, Infantry.  
 Leon Lightner Kotzebue, Infantry.  
 Walter Christian Thee, Coast Artillery Corps.  
 Thomas Reed Holmes, Infantry.  
 Roscoe Irwin MacMillan, Infantry.  
 Nicholas Dodge Woodward, Infantry.  
 Edgar William King, Coast Artillery Corps.  
 Riley Edward McCarraugh, Coast Artillery Corps.  
 Allan Preston Bruner, Coast Artillery Corps.  
 Egbert Frank Bullens, Cavalry.  
 Mark Gerald Brislawn, Infantry.  
 Carleton Burgess, Cavalry.  
 George Washington Armitage, Quartermaster Corps.  
 William McKendree Scott, Quartermaster Corps.  
 John Edward Brown, Ordnance Department.  
 John Gibbon McCoy, Chemical Warfare Service.  
 Arthur Eugene Fox, Field Artillery.  
 Carleton Smith, Infantry.  
 Paul Conover Crippler, Signal Corps.  
 LeCount Haynes Slocum, Field Artillery.  
 Edwin Fry Barry, Ordnance Department.  
 Frederick Harry Black, Field Artillery.  
 Josef Robert Sheetz, Field Artillery.  
 Charles Paul Cullen, Infantry.  
 Frederic Arthur Metcalf, Field Artillery.  
 Harry Emerson Storms, Infantry.  
 David Dean Barrett, Infantry.  
 Lawrence James Meyns, Ordnance Department.  
 Thomas Harry Ramsey, Infantry.  
 Leon Dessez, Field Artillery.  
 Lawrence Iverson, Coast Artillery Corps.  
 Archibald Luther Parmelee, Coast Artillery Corps.  
 Walter Byron Fariss, Infantry.  
 John Patrick Crehan, Field Artillery.  
 Donald Sutter McConnaughy, Field Artillery.  
 John Theodore Sunstone, Infantry.  
 Richard Brownley Cayle, Infantry.  
 Jesse Benjamin Smith, Infantry.  
 Guy Edward Dillard, Cavalry.  
 Robert Tappan Chaplin, Coast Artillery Corps.  
 Raymond Edwin Vermette, Infantry.  
 Abraham Robert Ginsburgh, Field Artillery.  
 Elijah Garrett Arnold, Infantry.  
 Benjamin Witwer Pelton, Infantry.

Farlow Burt, Infantry.  
 Warren Joseph Clear, Infantry.  
 Dean Ambrose Jones, Cavalry.  
 James Henry Howe, Infantry.  
 Robert Artel Case, Infantry.  
 John Russell Deane, Infantry.  
 Richard Zeigler Crane, Ordnance Department.  
 Paul Carson Febiger, Cavalry.  
 Richard Ogle Welch, Infantry.  
 Leslie Walter Jefferson, Coast Artillery Corps.  
 James Fairbank Smith, Chemical Warfare Service.  
 John Reigel Embich, Chemical Warfare Service.  
 Fred William Koester, Cavalry.  
 William Heely Todd, jr., Cavalry.  
 Ellis DeVera Willis, Infantry.  
 Thomas Reed Taber, Ordnance Department.  
 Harry William Lins, Coast Artillery Corps.  
 Harold Paul Stewart, Cavalry.  
 John Fawcett, Quartermaster Corps.  
 Charles Elliott Lucas, Infantry.  
 Will Rainwater White, Quartermaster Corps.  
 George Albert Bentley, Quartermaster Corps.  
 Norris Whitlock Osborn, Ordnance Department.  
 Leroy Webster Cummings, Corps of Engineers.  
 Oliver Louis Overmyer, Quartermaster Corps.  
 Thomas Kenny, Quartermaster Corps.  
 Harrie Dean W. Riley, Corps of Engineers.  
 Leon Henry Richmond, Signal Corps.  
 Edward Frederick French, Signal Corps.  
 Charles Merrill Savage, Air Service.  
 George Churchill Kenney, Air Service.  
 Bertram John Sherry, Signal Corps.  
 John Thompson Conover, Quartermaster Corps.  
 Warren Ateheron Butler, Quartermaster Corps.  
 Jesse DeWitt Cope, Infantry.  
 Eldridge Arnold Green, Infantry.  
 James Howard Todd, Quartermaster Corps.  
 Paul Sutphin Edwards, Signal Corps.  
 James Helmus Bogart, Chemical Warfare Service.  
 Noble Carter, Quartermaster Corps.  
 John Allen Root, Ordnance Department.  
 John Wallace Cooper, Quartermaster Corps.  
 Joseph Hooker Comstock, Infantry.  
 Carroll Harper Newell, Infantry.  
 Harry Thurber, Quartermaster Corps.  
 Louis Arthur Whitney, Infantry.  
 Ade Orrill, Infantry.  
 Oscar Glenn Stevens, Infantry.  
 John Alfred Gilman, Quartermaster Corps.  
 William Thomas Brock, Infantry.  
 John Edward Langley, Corps of Engineers.  
 William Floyd Armstrong, Field Artillery.  
 Lorenzo Dow Macy, Infantry.  
 George Augustus Jahant, Infantry.  
 Curtis DeWitt Alway, Infantry.  
 Frank Ely Locke, Quartermaster Corps.  
 Charles Elmer Hetrick, Infantry.  
 Louis James Lampke, Infantry.  
 Henry August Andres, Infantry.  
 Clay Anderson, Corps of Engineers.  
 Claude Lesley Kishler, Coast Artillery Corps.  
 Vernon Calhoun DeVotie, Infantry.  
 William McPhail Stewart, Infantry.  
 Willis Arthur Piatts, Infantry.  
 Irvin Boston Warner, Field Artillery.  
 John Charles Skuse, Infantry.  
 Jesse Knox Freeman, Infantry.  
 Edward Marion George, Quartermaster Corps.  
 Paul Hanford Cartter, Infantry.  
 Horace Joseph Brooks, Infantry.  
 Morgan Ellis Jones, Infantry.  
 Fannin Adkin Morgan, Judge Advocate General's Department.  
 George Howard Rarey, Infantry.  
 Jacob Edward Uhrig, Infantry.  
 Clarence Humbert Murphy, Cavalry.  
 Samuel Rivington Goodwin, Cavalry.  
 George Walcott Ames, Coast Artillery Corps.  
 Arthur Wellington Brock, jr., Air Service.  
 John Joseph Murphy, Infantry.  
 Murray Taylor Davenport, Infantry.  
 William Giroud Burt, Infantry.  
 Marshall Joseph Noyes, Corps of Engineers.  
 Charles Manly Walton, Infantry.  
 Samuel Lyman Damon, Corps of Engineers.  
 Guy Lafayette Hartman, Infantry.

Thomas Thomas, Infantry.  
 Harry Nelson Burkhalter, Infantry.  
 Truman Wike Allen, Air Service.  
 Charles Humphrey Swick, Corps of Engineers.  
 Victor Leander Cleson, Field Artillery.  
 Walter Buford, Cavalry.  
 William Huffman Young, Infantry.  
 Gottfried Wells Spoerry, Infantry.  
 Harry Donnell Ayres, Infantry.  
 William Ward Wise, Chemical Warfare Service.  
 Rodney Campbell Jones, Coast Artillery Corps.  
 William Aloysius Murphy, Infantry.  
 Harold H. Elarth, Infantry.  
 Lester Joslyn Harris, Infantry.  
 Howard Foster Clark, Corps of Engineers.  
 Howard Clay Brenizer, Field Artillery.  
 Morris Handley Forbes, Infantry.  
 Dorsey Jay Rutherford, Coast Artillery Corps.  
 Reynold Ferdinand Melin, Ordnance Department.  
 Robert Grier St. James, Infantry.  
 Francis Irwin Maslin, Quartermaster Corps.  
 Wilbur Joseph Fox, Infantry.  
 Frank Eckel Taylor, Judge Advocate General's Department.  
 Charles Palmer Clark, Air Service.  
 William Vincent Witcher, jr., Infantry.  
 Leo Leftwich Partlow, Field Artillery.  
 Joseph Francis Stiley, Coast Artillery Corps.  
 Edward Henry Dignowity, Corps of Engineers.  
 John William Elkins, jr., Infantry.  
 Philip Doddridge, Infantry.  
 Chilion Farrar Wheeler, Air Service.  
 Henry Thomas Kent, Infantry.  
 James Arthur Boyers, Infantry.  
 Evan Kirkpatrick Meredith, Infantry.  
 Howard John Liston, Infantry.  
 Charles Marion Thirkeld, Field Artillery.  
 William Robert Carlson, Coast Artillery Corps.  
 Ernest Thomas Jones, Infantry.  
 Harry Womersley Ostrander, Coast Artillery Corps.  
 Melville Stratton Creusere, Field Artillery.  
 Clarence Flagg Murray, Field Artillery.  
 Perry Cole Ragan, Infantry.  
 James Cave Crockett, Infantry.  
 Philip Dunbar Terry, Coast Artillery Corps.  
 Charles Carroll Knight, jr., Field Artillery.  
 Joseph Vincent Thebaud, Infantry.  
 George Willis Morris, Signal Corps.  
 Ira Augustus Hunt, Infantry.  
 Paul Parker Logan, Infantry.  
 Jesse James France, Field Artillery.  
 Armand Sherman Miller, Field Artillery.  
 Thomas Henry, Infantry.  
 Earl Hamlin DeFord, Air Service.  
 Peter Powell Rodes, Field Artillery.  
 Wiley Lee Dixon, Infantry.  
 Frank Martin Smith, Infantry.  
 John Carl Cook, Field Artillery.  
 Herbert William Garrison, Infantry.  
 Burdette Shields Wright, Air Service.  
 Arthur Kay Chambers, Coast Artillery Corps.  
 Paul Thomas Hogge, Infantry.  
 Dale Clarence Hall, Ordnance Department.  
 Charles Summers Miller, Cavalry.  
 Eugene Edwin Hogan, Quartermaster Corps.  
 Joseph Edward Schillo, Quartermaster Corps.  
 John Moody Tuther, Quartermaster Corps.  
 Joseph Henry Burgheim, Infantry.  
 John Palmer Harris, Ordnance Department.  
 Fred Thomson Bass, Corps of Engineers.  
 Andrew Jackson Patterson, Infantry.  
 Rufus Alexander Byers, Infantry.  
 George Edwin Adamson, Quartermaster Corps.  
 Charles A. Morrow, Quartermaster Corps.  
 Addis Bliss Albro, Signal Corps.  
 Edward Oscar Schairer, Quartermaster Corps.  
 Charley Muller, Infantry.  
 Alfred Henry Thiessen, Signal Corps.  
 Claude Evan Gray, Finance Department.  
 Horace Nevil Heisen, Air Service.  
 Aubrey Irl Eagle, Air Service.  
 Jacob J. Van Putten, jr., Finance Department.  
 Harvey Weir Cook, Air Service.  
 Charles Summer Reed, Ordnance Department.  
 Raymond Clair Hildreth, Signal Corps.  
 David Emery Washburn, Signal Corps.

Bernard Edward McKeever, Quartermaster Corps.  
 Michael James Byrne, Infantry.  
 William George Muller, Infantry.  
 William Vincent Randall, Ordnance Department.  
 Will Vermilya Parker, Signal Corps.  
 Floyd Newman Shumaker, Air Service.  
 Lowell Herbert Smith, Air Service.  
 Albert Edward Higgins, Field Artillery.  
 Ethel Alvin Robbins, Quartermaster Corps.  
 James Gilbert Anthony, Signal Corps.  
 Walter Harold Sutherland, Finance Department.  
 Michael Nolan Greeley, Quartermaster Corps.  
 Jesse Lee Thompson, Infantry.  
 Richard Allen, Quartermaster Corps.  
 Christopher William Ford, Air Service.  
 James Eugene Smith, Quartermaster Corps.  
 Biglow Beaver Barbee, Finance Department.  
 Edward Bates Blanchard, Chemical Warfare Service.  
 Thomas Banbury, Quartermaster Corps.  
 William Edward Cashman, Quartermaster Corps.  
 William Sawtelle Kilmer, Field Artillery.  
 Albert William Stevens, Air Service.  
 Alston Bertram Ames, Quartermaster Corps.  
 Stephen Carson Whipple, Corps of Engineers.  
 Harry Franklin Gardner, Quartermaster Corps.  
 Charles Jacob Kindler, Quartermaster Corps.  
 John Nelson Merrill, Cavalry.  
 Theodore Anton Baumeister, Infantry.  
 Charles Jerrold Morelle, Quartermaster Corps.  
 Ellis Donald Weigle, Coast Artillery Corps.  
 Emile Peter Antonovich, Quartermaster Corps.  
 John Clayton O'Dell, Quartermaster Corps.  
 Fred Chase Christy, Infantry.  
 Ernest Leonard Paul Treuthardt, Quartermaster Corps.  
 Richard Pegram Boykin, Quartermaster Corps.  
 Alexander Forest Dershimer, Quartermaster Corps.  
 Henry Ogle Tunis, Corps of Engineers.  
 Helmer Swenholt, Corps of Engineers.  
 Arnold Richard Christian Sander, Infantry.  
 Samuel Nairn Karrick, Corps of Engineers.  
 Grosvenor Liebenau Wotkyns, Infantry.  
 Adel Curry Harden, Finance Department.  
 Guy Hill, Signal Corps.  
 George Moseley Chandler, Quartermaster Corps.  
 Irving Alvan Oppermann, Infantry.  
 William Waite, Infantry.  
 George Eugene Lamb, Quartermaster Corps.  
 Harold Ogier Godwin, Quartermaster Corps.  
 Robert Burdette Woolverton, Signal Corps.  
 Jacob Ramser McNiel, Finance Department.  
 Henry Clyde Clark, Judge Advocate General's Department.  
 Jacob Herman Osterman, Quartermaster Corps.  
 John Joseph Devery, jr., Air Service.  
 John Andrews MacLaughlin, Chemical Warfare Service.  
 Samuel Houston Ware, Quartermaster Corps.  
 Edward Bernard Schlant, Judge Advocate General's Department.  
 Richard James Sothern, Field Artillery.  
 James Briggs Haney, Ordnance Department.  
 Milo Cooper Pratt, Quartermaster Corps.  
 Harry Stockton Farish, Finance Department.  
 John Paul Dean, Corps of Engineers.  
 Patrick Henry Timothy, jr., Corps of Engineers.  
 Hugh John Casey, Corps of Engineers.  
 Patrick Henry Tansey, Corps of Engineers.  
 Hans Kramer, Corps of Engineers.  
 Albert Gordon Matthews, Corps of Engineers.  
 Amos Blanchard Shattuck, jr., Corps of Engineers.  
 Leland Hazelton Hewitt, Corps of Engineers.  
 Michael Charles Grenata, Corps of Engineers.  
 Preston Wood Smith, Corps of Engineers.  
 Thomas Francis Kern, Corps of Engineers.  
 Ralph Edward Cruse, Corps of Engineers.  
 Lewis Tenney Ross, Corps of Engineers.  
 Charles Francis Baish, Corps of Engineers.  
 Clarence Lionel Adcock, Corps of Engineers.  
 Keryn Ap Rice, Corps of Engineers.  
 Charles Stuart Ward, Corps of Engineers.  
 Henry Morehead Underwood, Corps of Engineers.  
 James Bryan Neuman, jr., Corps of Engineers.  
 James Marshall Young, Corps of Engineers.  
 James Creel Marshall, Corps of Engineers.  
 Walter Ernest Lorence, Corps of Engineers.  
 Lucius DuRignon Clay, Corps of Engineers.  
 Lloyd Ernst Mielenz, Corps of Engineers.



Pierre Alexander Agnew, Corps of Engineers.  
 Alexander Murray Neilson, Corps of Engineers.  
 Hoel Smith Bishop, jr., Corps of Engineers.  
 Robert Habersham Elliott, Corps of Engineers.  
 Samuel Davis Sturgis, jr., Corps of Engineers.  
 Thomas Hay Nixon, Ordnance Department.  
 Anderson Thomas William Moore, Corps of Engineers.  
 Reginald Whitaker, Corps of Engineers.  
 Eugene Mead Caffey, Corps of Engineers.  
 Albert Jordan Brandon, Quartermaster Corps.  
 James Laban Alverson, Quartermaster Corps.  
 John Harold Veale, Corps of Engineers.  
 John Lee Hughes, Ordnance Department.  
 Charles Edward Ehle, Quartermaster Corps.  
 John Robert Bailey, Quartermaster Corps.  
 Elmer Edward Adler, Air Service.  
 Joseph Evan Smith, Quartermaster Corps.  
 Robert Joseph Kennedy, Finance Department.  
 Francis Comillus Beebe, Finance Department.  
 Guy Russell Hartrick, Ordnance Department.  
 Edward Joseph Riordan, Quartermaster Corps.  
 Voler V. Viles, Finance Department.  
 Edwin Vivian Dunstan, Quartermaster Corps.  
 Edwin Severett Ross, Infantry.  
 Samuel Thomas Griffith, Quartermaster Corps.  
 Hubert Albert Stecker, Quartermaster Corps.  
 Samuel Clinton Payne, Infantry.  
 Hugh Pigott Oram, Corps of Engineers.  
 Arthur William Beer, Judge Advocate General's Department.  
 Lewis Mitchell McBride, Chemical Warfare Service.  
 Arthur Cobb, Chemical Warfare Service.  
 Thomas Bayton McGill, Quartermaster Corps.  
 Stuart Cooper, Ordnance Department.  
 Robert Stanley Beard, Quartermaster Corps.  
 Rowan Adams Greer, Judge Advocate General's Department.  
 Chalmers Dale, Field Artillery.  
 William James Allen, Quartermaster Corps.  
 Henry Spencer Evans, Quartermaster Corps.  
 Ernest Walter Wilson, Finance Department.  
 George Nathaniel Beakley, Judge Advocate General's Department.  
 Clarence Beryl Werts, Cavalry.

#### APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

##### AIR SERVICE.

Capt. Floyd Emerson Galloway, Infantry, with rank from July 1, 1920.  
 First Lieut. Charles Rocheid Forrest, Field Artillery, with rank from July 1, 1920.

##### POSTMASTERS.

##### ARKANSAS.

John C. Wish, Cabot.  
 James S. Burnett, Clinton.  
 Alexander R. Mullins, Emerson.  
 William B. Pape, Fort Smith.  
 James F. Hudson, Lake Village.  
 George H. Rule, jr., Lonoke.  
 James G. Brown, Magnolia.  
 Cooper Hudspeth, Nashville.

##### COLORADO.

William H. Cochran, jr., Del Norte.  
 Theodore Stremme, Gypsum.  
 John H. O'Connell, Sugar City.

##### CONNECTICUT.

Alfred A. Barrett, Berlin.  
 W. Kenneth Avery, Granby.  
 Irving S. Cook, Higganum.  
 Michael J. Kenney, Mechanicsville.  
 W. Gardiner Davis, Pomfret Center.  
 W. Frank Smith, Wallingford.

##### DELAWARE.

Stanley S. Stevens, Delaware City.

##### GEORGIA.

William F. Boone, Baxley.  
 Will E. Davis, Boston.  
 Annie K. Bunn, Cedartown.  
 Charles E. Walton, Columbus.  
 George W. Pease, Demorest.  
 Albert M. Seifert, Fort Valley.  
 John C. Massey, Hartwell.  
 Augustus R. Williamson, Jefferson.  
 Susie D. Sims, Lawrenceville.

Olin Robinson, Milledgeville.  
 Frederick Bonner, Perry.  
 Thomas H. Anthony, Shellman.

##### HAWAII.

Edward D. Quinn, Kohala.  
 Elizabeth Perkins, Wahiawa.

##### IDAHO.

Charles B. Billups, Nezperce.

##### ILLINOIS.

John L. Shanks, Ashley.  
 William Ryder, Auburn.  
 C. Ray Chrisman, Ewing.  
 Frank W. A. Noll, Franklin Park.  
 Walter J. Holt, Hanna City.  
 Alvin P. Bickenbach, Illiopolis.  
 Orlando H. Akin, Kirkwood.  
 Milton G. Hartenbower, Lostant.  
 Harry R. Smith, Manlius.  
 William H. Lower, Minier.  
 Franklin S. Lyman, Oak Forest.  
 Peter J. McKinney, Ogden.  
 Jennie McNulty, South Wilmington.  
 Burton A. Blake, Tiskilwa.  
 Edwin G. Meyer, Valmeyer.

##### INDIANA.

Benjamin F. Pitman, Bedford.  
 Fred Irvin, Cannelton.  
 Robert E. Black, Corydon.  
 Joseph W. McMahon, Covington.  
 Edward A. Spray, Frankfort.  
 Ben Havens, Kokomo.  
 Charles A. McClintock, Lynn.  
 Harry H. Cope, Madison.  
 Ben Price, jr., Monticello.  
 Floyd E. Leonard, Mulberry.  
 Jacob Ochs, jr., Remington.  
 Charles A. Thompson, Rockville.  
 James C. Brown, Salem.  
 Charles R. Jones, Summitville.  
 Joseph E. Lewis, Williamsport.

##### IOWA.

Hazel N. Chapman, Bagley.  
 Arden W. Keeney, Carlisle.  
 Kate C. Warner, Dayton.  
 Otto W. Bierkamp, Durant.  
 Grace M. Storey, Dysart.  
 Harry Carver, Fontanelle.  
 Frank D. Thomsen, Kimballton.  
 Laura H. Figert, Marathon.  
 Ava Rigdon, Menlo.  
 August Rickert, Schleswig.  
 Anna M. Beck, Solon.

##### KANSAS.

Charles F. Ackerman, Kanopolis.  
 John Malone, National Military Home.  
 James M. Kersey, Parsons.  
 Belford A. Likes, Pomona.  
 William A. Walt, Thayer.  
 Ezra E. Shields, Wathena.  
 Lee Mobley, Weir.

##### KENTUCKY.

Alice F. Lewis, Burnside.  
 Harvey B. Turner, Evarts.  
 Eli H. Blewett, Franklin.  
 Zelmer R. Hill, Jamestown.  
 John B. Searcy, Lawrenceburg.  
 John H. Collings, Lebanon Junction.  
 Sidney A. Lovelace, London.  
 Zorayda Cochran, Maysville.  
 Eugene E. Johnson, White Plains.

##### LOUISIANA.

John B. Sewell, Baldwin.  
 Walter L. Huckabay, Blenville.  
 Owen N. Jones, Good Pine.  
 Lillian D. Gayle, Independence.  
 Robert D. Crowell, Meridian.

##### MAINE.

Ferdinand E. Stevens, Auburn.  
 Bert H. Young, Bar Harbor.

Henry A. Saunders, Blue Hill.  
 Chandler M. Wilson, Bucksport.  
 Reuel Robinson, Camden.  
 Jesse B. Crosby, Dennysville.  
 Almon R. Page, Dexter.  
 John A. Babb, Dixfield.  
 Ray Winchenpaw, Friendship.  
 Omar J. Lombard, Guilford.  
 Dana C. Skillin, Hallowell.  
 Preston N. Burleigh, Houlton.  
 Zaidee P. Campbell, Jackman.  
 Ellsworth W. Sawyer, Kezar Falls.  
 Albert A. Weatherbee, Lincoln.  
 Maud E. Pierce, Mars Hill.  
 Leonard O. Mender, North Berwick.  
 Philip F. Stone, Norway.  
 Edward I. Waddell, Presque Isle.  
 Harold N. Libby, Richmond.  
 Harry N. Ferguson, Sanford.  
 Joe P. Davis, South Berwick.  
 Charles C. Hoyt, South Brewer.  
 William C. Flint, Waldoboro.

## MASSACHUSETTS.

August J. Formhals, Erving.  
 Walter C. Wright, Graniteville.  
 Clarence E. Arnold, Hopedale.

## MICHIGAN.

George A. Mason, Cedar.  
 Angus G. Grayson, Pellston.  
 George Q. Brace, Sparta.  
 Mary E. Swanson, Spring Lake.  
 Charles F. Waldie, Bancroft.  
 Duncan A. McKeith, Brown City.  
 Clarence D. Kent, Buchanan.  
 Henry E. Cowdin, Carson City.  
 Charles H. Haley, Coleman.  
 Jesse A. Richardson, Corunna.  
 Asa B. Freeman, Durand.  
 Louis Gee, Farwell.  
 Ernest E. Yerdon, Fenton.  
 Irvin B. Dayharsh, Hart.  
 Henry F. Voelker, Ionia.  
 Walter G. Rogers, Lansing.  
 George H. Steadman, Lyons.  
 Rolland M. Krise, Marcellus.  
 Arthur Locke, Middleton.  
 Edward F. Blake, Middleville.  
 Milan A. Smith, Morenci.  
 Floyd B. Babcock, Pontiac.  
 Thomas S. Scupholm, Port Huron.  
 James R. Taylor, Romulus.  
 James V. Baker, South Lyon.  
 William R. Bryce, Yale.

## MINNESOTA.

Stanley E. Nelson, Adrian.  
 Robert K. Brough, Alexandria.  
 William G. Early, Eyota.  
 Herman J. Ricker, Freeport.  
 Freeman S. Holmes, South Haven.  
 Almer B. Nelson, Warren.  
 Charles H. Wise, Wayzata.

## MISSISSIPPI.

Melzar J. Nye, Carrollton.  
 Anne D. Powers, Cary.  
 Michael J. Mulvihill, jr., Vicksburg.

## MISSOURI.

William L. Moorhead, Hopkins.  
 James E. Roark, Anderson.  
 John A. Griesel, Golden City.  
 Loyd R. Kirtley, Madison.  
 Theron H. Watters, Marshfield.  
 William H. Roster, St. James.

## MONTANA.

John B. Randall, Wolf Point.

## NEBRASKA.

Mary E. Rushart, Fort Crook.

## NEVADA.

Austin Jackson, Reno.

## NEW HAMPSHIRE.

Nellie L. Mason, Greenfield.  
 Frank E. West, Lyme.  
 Orriman Whipple, Sugar Hill.

## NEW JERSEY.

Alfred W. Marshall, Glassboro.  
 August Graf, Hoboken.  
 Charles Place, Rosemont.  
 James T. Chapman, Sea Isle City.

## NEW YORK.

Edward J. Woods, Bayport.  
 Gertrude S. Ryder, Blue Point.  
 William D. Walling, Hudson Falls.  
 Gottlieb H. Morris, Lynbrook.  
 Charles W. Fletcher, Montour Falls.  
 William F. Winterbotham, Old Forge.  
 William Sanford, Savona.  
 Monroe W. LeFevre, Water Mill.  
 John A. Goetzmann, West Webster.

## NORTH CAROLINA.

Thomas E. Sparrow, Hillsboro.  
 George A. Woods, Nazareth.  
 Don H. Gosorn, Old Fort.  
 Joseph P. Hinson, Pineville.

## OHIO.

John W. McCoy, Barberton.  
 Oscar C. Wheland, Gnadenhutten.  
 Fred G. Bates, Madison.  
 William F. Lyons, Mentor.  
 Frank P. Johnson, Pataskala.  
 Garrett A. Circle, Racine.  
 Dwight D. Fierbaugh, South Euclid.  
 Joseph M. Collins, Springfield.  
 Frank B. Malaney, Wadsworth.  
 Josiah T. Gibson, Waverly.  
 Mary E. Lee, Westerville.

## OKLAHOMA.

Lewis G. Rinnert, Checotah.  
 Mable C. Heidenreich, Duke.  
 Elinore Jett, Nash.  
 Floyd A. Rice, Strong City.  
 Emil G. Etzold, Temple.  
 Thomas B. Fessenger, Wynne Wood.

## PENNSYLVANIA.

Daniel J. Turner, Clarksville.  
 Harry F. Diebert, Cressona.  
 Jennie C. Sample, Crum Lynne.  
 Thomas J. Morgan, Nanticoke.  
 James I. Decker, New Freedom.  
 Arthur N. Rose, Rouseville.  
 John W. Munnell, Waynesburg.

## PORTO RICO.

Reinaldo Paniagua, jr., Lares.

## SOUTH DAKOTA.

Louis E. Castle, Britton.  
 Albert P. Monell, Stickney.

## TENNESSEE.

John M. Eakin, Fayetteville.  
 Byrd S. Bussell, Greenbrier.  
 Burgess W. Witt, Jefferson City.  
 Anderson W. Warren, Waverley.  
 Kester L. Pearson, White Pine.

## TEXAS.

Robert L. Jones, Celeste.  
 George E. Thomas, Center Point.  
 James A. Aldridge, Devine.  
 Thomas E. Cavender, Dilley.  
 Sallie E. St. Jacque, Higgins.  
 William E. Singleton, Jefferson.  
 William A. Gatlin, Lakeview.  
 William R. Wagle, Lampasas.  
 J. Edwin Moore, Lometa.  
 Joseph M. Reising, Rochester.  
 Fannie Stieber, Rocksprings.  
 George E. Longacre, Tyler.  
 Belle H. Stewart, Valentine.

## UTAH.

Mary W. Hall, Hurricane.  
 Glen A. Jensen, Manti.



## VERMONT.

Charles A. Bourn, Manchester Depot.  
Alvi T. Davis, Marshfield.  
William J. Wright, Montgomery Center.  
William T. Mead, Underhill.

## WEST VIRGINIA.

Oscar G. Casto, Adrian.  
Charles B. Crawford, Cabin Creek.

## REJECTION.

*Executive nomination rejected by the Senate December 4, 1922.*

## POSTMASTER.

Claris E. Akin to be postmaster at Rutherford, Tenn.

## HOUSE OF REPRESENTATIVES.

MONDAY, December 4, 1922.

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

In Thee, O Lord, we have our rest and our peace and our safety. By all that is tenderest in Thy promises and wisest in Thy teaching always encourage us to come to Thee. As Thy pardon is like the fullness of the sea, do Thou forgive us. For the blessings of the past we thank Thee, and continue, O Lord, to reveal Thyself unto us in wisdom and in truth. Grant us large conceptions of duty and a deep sense of responsibility. O ever let our ambitions reach toward Thee and always respond with Thy blessings and give us good cheer by the way. Through Christ. Amen.

The Journal of the proceedings of Saturday, December 2, 1922, was read and approved.

## JAMES R. MANN.

Mr. APPLEBY. Mr. Speaker, I ask unanimous consent that the following letter be extended in the RECORD relative to the death of Mr. MANN.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend in the RECORD a letter concerning the death of Mr. MANN. Is there objection?

There was no objection.

Following is the letter referred to:

THE ROBERTS SAFETY WATER TUBE BOILER CO.,  
Red Bank, N. J., December 1, 1922.

Hon. T. FRANK APPLEBY,  
Representing the Third Congressional District of New Jersey,  
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am sending under separate cover by same mail a copy of to-day's issue of the Red Bank Standard to you.

I thought possibly you might be interested in reading the notice in respect to the memory of the late Hon. JAMES R. MANN, which we had inserted in this paper.

It is suggested that possibly you might deem it well and advisable to read this tribute to the memory of your late colleague to the House.

Some of the opponents to the administration measure might then realize how some of us in your district feel on this subject.

With kind regards, I remain

Very sincerely,

E. GERRY ROBERTS.

Roberts Boiler Works closed till Monday out of respect to the memory of Hon. JAMES R. MANN, who served with honorable credit for many years in the United States House of Representatives, and whose last act in such capacity was to offer to Representative MONDELL, majority floor leader, to be taken to the House if his vote was needed to pass the administration merchant marine bill, but who arranged a pair for him instead.

Mr. MANN passed away last evening.

Requiescat in pace.

ROBERTS SAFETY WATER TUBE BOILER CO.

## RESOLUTION FOR ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I present the following resolution and ask its speedy consideration.

The SPEAKER. The gentleman from Wyoming presents a resolution, which the Clerk will report.

The Clerk read as follows:

House Concurrent Resolution 73.

*Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House be authorized to close the present session by adjourning their respective Houses on the 4th day of December, 1922, at 11 o'clock and 50 minutes a. m.*

The SPEAKER. The question is on agreeing to the resolution.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry. May I ask a question? If this resolution is not passed, would not the House and Senate adjourn automatically by operation of law at 12 o'clock noon to-day?

The SPEAKER. They would.

Mr. BLANTON. Well, then, is not this an unnecessary action?

Mr. MONDELL. Mr. Speaker, it seems proper that we should close the session in the usual and ordinary way, including the reading of the Journal. I believe the Senate will also consider that that is the correct and orderly procedure rather than simply to have the extra session expire by the arrival of the hour when the regular session comes into being.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. MOORE of Virginia. Mr. Speaker, may I ask the gentleman from Wyoming a question?

Mr. MONDELL. I ask unanimous consent, Mr. Speaker, that the House now stand in recess, subject to the call of the Chair.

Mr. MOORE of Virginia. Mr. Speaker, may I ask the gentleman from Wyoming a question with respect to the business to be taken up to-morrow and next day? We have not had any announcement.

Mr. MONDELL. I am not sure about to-morrow. On Calendar Wednesday we expect to take up the first appropriation bill if that is agreeable to the House. That is the Treasury appropriation bill.

## THE COLORADO RIVER.

Mr. HAYDEN. Mr. Speaker, I desire to submit a unanimous-consent request. I ask unanimous consent to extend my remarks in the RECORD by printing the compact as agreed upon by the commissioners of the seven States of the Colorado River Basin with respect to the disposition of the waters of that stream, with comments thereon by the Secretary of Commerce and the Director of the United States Reclamation Service.

The SPEAKER. The gentleman from Arizona asks unanimous consent to extend his remarks by printing the document indicated. Is there objection?

There was no objection.

Following is the compact referred to:

## COLORADO RIVER COMPACT.

The States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming having resolved to enter into a compact under the act of the Congress of the United States of America approved August 19, 1921 (42 Stat. L., p. 171), and the acts of the legislatures of the said States, have through their governors appointed as their commissioners W. S. Norviel, for the State of Arizona; W. F. McClure, for the State of California; Deiph E. Carpenter, for the State of Colorado; J. G. Scruggs, for the State of Nevada; Stephen D. Davis, Jr., for the State of New Mexico; R. E. Caldwell, for the State of Utah; Frank C. Emerson, for the State of Wyoming, who after negotiations participated in by Herbert Hoover, appointed by the President as the representative of the United States of America, have agreed upon the following articles:

"ARTICLE I. The major purposes of this compact are to provide for equitable division and apportionment of the use of the waters of the Colorado River system, to establish the relative importance of different beneficial uses of water, to promote interstate comity, to remove causes of present and future controversies, and to secure the expeditious agricultural and industrial development of the Colorado River Basin, the storage of its waters, and the protection of life and property from floods. To these ends the Colorado River Basin is divided into two basins, and an apportionment of the use of part of the water of the Colorado River system is made to each of them with the provision that further equitable apportionments may be made.

"ART. II. As used in this compact: (A) The term 'Colorado River system' means that portion of the Colorado River and its tributaries within the United States of America. (B) The term 'Colorado River Basin' means all of the drainage area of the Colorado River system and all other territory within the United States of America to which the waters of the Colorado River system shall be beneficially applied. (C) The term 'States of the upper division' means the States of Colorado, New Mexico, Utah, and Wyoming. (D) The term 'States of the lower division' means the States of Arizona, California, and Nevada. (E) The term 'Lee Ferry' means a point in the main stream of the Colorado River 1 mile below the mouth of the Paris River. (F) The term 'upper basin' means those parts of the States of Arizona, Colorado, New Mexico, Utah, and Wyoming within and from which waters naturally drain into the Colorado River system above Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system which are now or shall hereafter be beneficially served by waters diverted from the system above Lee Ferry. (G) The term 'lower basin' means those parts of the States of Arizona, California, Nevada, New Mexico, and Utah within and from which waters naturally drain into the Colorado River system below Lee Ferry, and also all parts of said States located without the drainage area of the Colorado River system, which are now or shall hereafter be beneficially served by waters diverted from the system below Lee Ferry. (H) The term 'domestic use' shall include the use of water for household, stock, municipal, mining, milling, industrial, and other like purposes, but shall exclude the generation of electrical power.

"ART. III. (A) There is hereby apportioned from the Colorado River system in perpetuity to the upper basin and to the lower basin, respectively, the exclusive beneficial consumptive use of 7,700,000 acre-feet of water per annum, which shall include all water necessary for



the supply for any rights which may now exist. (B) In addition to the apportionment in paragraph (A) the lower basin is hereby given the right to increase its beneficial consumptive use of such waters by 1,000,000 acre-feet per annum. (C) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States or Mexico any right to use of any waters of the Colorado River system, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (A) and (B), and if such surplus shall prove insufficient for this purpose, then the burden of such deficiency shall be equally borne by the upper basin and the lower basin, and whenever necessary the States of the upper division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (D). (D) The States of the upper division will not cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75,000,000 acre-feet for any period of 10 consecutive years reckoned in continuing progressive series beginning with the 1st day of October next succeeding the ratification of this compact. (E) The States of the upper division shall not withhold water, and the States of the lower division shall not require the delivery of water which can not reasonably be applied to domestic and agricultural uses. (F) Further equitable apportionment of the beneficial uses of the waters of the Colorado River system unapportioned by paragraphs (A), (B), and (C) may be made in the manner provided in paragraph (G) at any time after October 1, 1963, if and when either basin shall have reached its total beneficial consumptive use as set out in paragraphs (A) and (B). (G) In the event of a desire for a further apportionment as provided in paragraph (F) any two signatory States, acting through their governors, may give joint notice of such desire to the governors of the other signatory States and to the President of the United States of America, and it shall be the duty of the governors of the signatory States and of the President of the United States of America forthwith to appoint representatives whose duty it shall be to divide and apportion equitably between the upper basin and lower basin the beneficial use of the unapportioned water of the Colorado River system as mentioned in paragraph (F), subject to the legislative ratification of the signatory States and the Congress of the United States of America.

"ART. IV. (A) Inasmuch as the Colorado River has ceased to be navigable for commerce and reservation of its waters for navigation would seriously limit the developments of its basin, the use of its waters for purposes of navigation shall be subservient to the uses of such waters for domestic, agricultural, and power purposes. If the Congress shall not consent to this paragraph, the other provisions of this compact shall nevertheless remain binding. (B) Subject to the provisions of this compact, water of the Colorado River system may be impounded and used for the generation of electrical power, but such impounding and use shall be subservient to the use and consumption of such water for agricultural and domestic purposes and shall not interfere with or prevent use for such dominant purposes. (C) The provisions of this article shall not apply to or interfere with the regulation and control by any State within its boundaries of the appropriation, use, and distribution of water.

"ART. V. The chief official of each signatory State charged with the administration of water rights, together with the Director of the United States Reclamation Service and the Director of the United States Geological Survey, shall cooperate, ex officio: (A) To promote the systematic determination and coordination of the facts as to flow, appropriation, consumption, and use of water in the Colorado River Basin and the interchange of available information in such matters. (B) To secure the ascertainment and publication of the annual flow of the Colorado River at Lee Ferry. (C) To perform such other duties as may be assigned by mutual consent of the signatories from time to time.

"ART. VI. Should any claim or controversy arise between any two or more of the signatory States: (A) with respect to the waters of the Colorado River system not covered by the terms of this compact. (B) Over the meaning or performance of any of the terms of this compact. (C) As to the allocation of the burdens incident to the performance of any article of this compact or delivery of waters as herein provided. (D) As to the construction or operation of works within the Colorado River Basin to be situated in two or more States or to be constructed in one State for the benefit of another State; or (E) as to the diversion of water in one State for the benefit of another State. The governors of the States affected, upon the request of one of them, shall forthwith appoint commissioners with power to consider and adjust such claim or controversy, subject to ratification by the legislatures of the States so affected.

"Nothing herein contained shall prevent the adjustment of any such claim or controversy by any present method or direct future legislative action of the interested States.

"ART. VII. Nothing in this compact shall be construed as affecting the obligations of the United States of America to Indian tribes.

"ART. VIII. Present perfected rights to the beneficial use of waters of the Colorado River system are unimpaired by this compact. Whenever storage capacity of 5,000,000 acre-feet shall have been provided on the main Colorado River within or for the benefit of the lower basin then claims of such rights, if any, by appropriators or users of water in the lower basin against appropriators or users of water in the upper basin shall attach to and be satisfied from water that may be stored not in conflict with Article III. All other rights to beneficial use of waters of the Colorado River system shall be satisfied solely from the water apportioned to that basin in which they are situated.

"ART. IX. Nothing in this compact shall be construed to limit or prevent any State from instituting or maintaining any action or proceeding, legal or equitable, for the protection of any right under this compact or the enforcement of any of its provisions.

"ART. X. This compact may be terminated at any time by the unanimous agreement of the signatory States. In the event of such termination all rights established under it shall continue unimpaired.

"ART. XI. The compact shall become binding and obligatory when it shall have been approved by the legislature of each of the signatory States and by the Congress of the United States. Notice of approval by the legislatures shall be given by the governor of such signatory State to the governors of the other signatory States and to the President of the United States, and the President of the United States is requested to give notice to the governors of the signatory States of approval by the Congress of the United States."

In witness whereof, the commissioners have signed this compact in a single original, which shall be deposited in the archives of the Department of State of the United States of America, and of which a

duly certified copy shall be forwarded to the governor of each of the signatory States.

Done at the city of Santa Fe, N. Mex., the 24th day of November, A. D. 1922.

S. W. NORVIEL,  
W. F. MCCLURE,  
DELPH E. CARPENTER,  
J. G. SCRUGHAM,  
STEPHEN B. DAVIS, Jr.,  
R. E. CALDWELL,  
FRANK C. EMERSON.

Approved:  
HERBERT HOOVER.

#### STATEMENTS BY THE SECRETARY OF COMMERCE.

Secretary Hoover's statement is as follows:

"The big thing about the Colorado River compact is that it breaks the blockade on development of the whole river. It allows us all to go ahead with river development and with flood protection to the Imperial and Yuma Valleys.

"The worst thing about the compact is that it will destroy much oratory. It makes for growing spuds and not for glowing speech.

"One can get great emotion over conflict and quarrel, but there is no great oratory about the fact that the northern basin is separated from the southern basin by a thousand miles of barren canyon; that the agriculture and economic life of the two basins are wholly different, and that the logical thing is to divide the water between them so they can make homes instead of defending injunctions.

"Nor can one make great oratory out of the fact that there is ample water and to spare the apportionment of enough water to each basin to cover all of the present users plus all of the known feasible projects, plus 30 per cent for good measure, then holding in reserve 30 per cent for 40 years to see where it is most needed. There is nothing sensational about a compact that leaves all question of Mexican rights to water to the State Department, which is the only organ of the American people which has any right to deal with it. There is nothing especially romantic about the provisions in the compact for complete priority of agriculture over power forever in the use of water of this river.

"Yet, behind all the precise and commonplace language of this compact lies the greatness and romance of the West, the building of a million more homes out under the blue sky in security and good will.

"The compact has a side interest, for with the exception of two other cases, and these only between two States, this compact marks the first time that a considerable number of States have settled fundamental interstate rights by process of treaty instead of resort to the Supreme Court."

#### HOOVER URGES QUICK ACTION ON RIVER PACT.

LOS ANGELES, November 26.—The ratification of the Colorado River pact, signed at the conclusion of a hearing before the Colorado River Commission at Santa Fe, N. Mex., last Friday, was urged by Herbert Hoover, Secretary of Commerce and chairman of the commission, in an address broadcast here to-night over the Los Angeles Times' radio.

"The foundation has been laid for a great American conquest," declared Mr. Hoover. "The harnessing of the giant Colorado River will follow the ratification of the pact by the seven States of the Colorado River Basin. With such ratification, the next step will be the construction, without delay, of a control dam, under authorization of Congress.

"Then the Southwest will come into its magnificent heritage of power and life-giving water, and all the Nation will be vastly benefited.

"The first step is to settle the controversy between the upper and lower districts of the Colorado Basin. There can be no development until that is settled. Ratification by the States of the pact agreed upon by the Colorado River Commission will speedily accomplish this. If the matter is forced into the Supreme Court it may require years.

"The next step will be the construction of a control dam in the lower reaches of the river. The commission adopted a resolution urging Congress to proceed toward the immediate construction of control works."

While the commission made no recommendation concerning the site of the dam, Mr. Hoover said he favored its construction at or near Boulder Canyon. He said he believed the people of California and of all States affected should make a concerted effort to obtain a control dam in that vicinity, so the Imperial Valley of California may be protected against flood menace.

He was emphatic in stating there was no need to quarrel over the division of the water, declaring there is more of that than all the lands of the basin in both the United States and Mexico can use.

#### DIRECTOR OF RECLAMATION SERVICE SAYS RIVER COMPACT STEP FORWARD; WILL HASTEN CONSTRUCTION.

SANTA FE, N. MEX., November 27.—The Colorado River Commission before adjournment here adopted a resolution strongly recommending immediate action toward flood control in the Imperial Valley. The resolution follows:

"The members of the Colorado River Commission have had constantly before them the great menace of annual floods to the lives and property of the people of the Imperial and Palo Verde Valleys in California and the Yuma Valley in Arizona and the anxiety of their thousands of citizens. Therefore they earnestly recommend and urge the early construction of works in the Colorado River to control the floods and permanently avoid the menace."

"The unanimous agreement by the Colorado River Commission upon the details of a compact for the division of the uses and protection of rights to the use of the waters of the Colorado River and its tributaries is a signal victory for those qualities and impulses which distinguish the civilized from the savage," declared Arthur P. Davis, Director of the United States Reclamation Service, commenting upon the interstate pact regarding the use of the Colorado Basin waters signed at Santa Fe, November 24. His statement continues:

"It will obviate the delay and the acrimonious litigations which a year ago seemed imminent and has cleared the way for the provision of flood control and irrigation storage, urgently needed and indispensable to further development in the Colorado River Basin.

"The original contentions of the seven States were so far apart that an agreement seemed hopeless. But a discussion of the various needs led to a closer acquaintance with the facts and the various points of



view, and the conclusions may be said to award each claimant more than he expected in view of the original contentions.

"The satisfactory settlement of all these disputes at small expense within a year after the organization of the commission is in strong contrast to the alternative of litigation. The recent decision of the Supreme Court of Wyoming in the Colorado case was rendered about 11 years after its inception, and dealt only with a single controversy in a small stream basin. The Colorado Basin lies in seven States, in which thousands of users are diverting its waters. Its development involved some of the largest and most difficult engineering problems ever attempted and a multitude of complicated interests and possible disputes, which have been settled within 11 months instead of 11 years.

"All good citizens should rejoice in this substitution of reason and progress for conflict and stagnation.

"This happy result is due largely to the broad-minded attitude of the members of the commission, and especially to the patience, tact, and diplomatic ability of the chairman of the commission, Hon. Herbert Hoover.

"The natural flow of the Colorado River averages nearly 20,000,000 acre-feet per annum. Of this about one-third now is used, and this includes the low-water flow in the lower basin, which can not further develop safely without storage. The present users in the lower basin take about 3,700,000 acre-feet. The compact awards this portion of the basin a total annual flow of 8,500,000 acre-feet, or more than double its present needs, and sufficient to develop all feasible projects and some of doubtful feasibility. The upper basin is awarded 7,500,000 acre-feet, which also is more than double its present needs and sufficient to serve nearly 3,000,000 acres additional, which will be sufficient for all feasible projects and some of doubtful feasibility.

"If this water is not consumed in irrigation, it will run down through the canyons for use below. There remains an unapportioned quantity of over 4,000,000 acre-feet for future division as unforeseen needs may appear. Such a further division is provided for in the compact. Thus both basins are provided for fully, their present development protected, and their future development unhampered by water disputes."

#### RECESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the House now stand in recess, subject to the call of the Chair.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the House stand in recess, subject to the call of the Chair. Is there objection?

There was no objection.

Accordingly (at 11 o'clock and 5 minutes a. m.) the House stood in recess.

#### AFTER RECESS.

The House was called to order by the Speaker at 11 o'clock and 50 minutes a. m.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed the following resolution:

#### House Concurrent Resolution 73.

*Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session by adjourning their respective Houses on the 4th day of December, 1922, at 11 o'clock and 50 minutes a. m.*

#### ADJOURNMENT SINE DIE.

The SPEAKER. According to the power vested in the Speaker by the resolution, the Chair declares the House adjourned sine die.

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# INDEX.

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# NAMES AND POST-OFFICE ADDRESSES

OF

## SENATORS

IN THE

THIRD SESSION OF THE SIXTY-SEVENTH CONGRESS.

CALVIN COOLIDGE, Vice President, Northampton, Mass.  
ALBERT B. CUMMINS, President pro tempore, Des Moines, Iowa.

Name.	Home post office.	Name.	Home post office.
Ashurst, Henry F.	Prescott, Ariz.	McKellar, Kenneth	Memphis, Tenn.
Ball, L. Heisler	Marshallton, Del.	McKinley, William B.	Champaign, Ill.
Bayard, Thomas F.	Wilmington, Del.	McLean, George P.	Simsbury, Conn.
Borah, William E.	Boise, Idaho.	McNary, Charles L.	Salem, Oreg.
Brandegge, Frank B.	New London, Conn.	Moses, George H.	Concord, N. H.
Brookhart, Smith W.	Washington, Iowa.	Myers, Henry L.	Hamilton, Mont.
Broussard, Edwin S.	New Iberia, La.	Nelson, Knute	Alexandria, Minn.
Bursom, Holm O.	Socorro, N. Mex.	New, Harry S.	Indianapolis, Ind.
Calder, William M.	Brooklyn, N. Y.	Newberry, Truman H. <sup>1</sup>	Grosse Pointe Farms, Mich.
Cameron, Ralph H.	Flagstaff, Ariz.	Nicholson, Samuel D.	Leadville, Colo.
Capper, Arthur	Topeka, Kans.	Norbeck, Peter	Pierre, S. Dak.
Caraway, T. H.	Jonesboro, Ark.	Norris, George W.	McCook, Nebr.
Colt, LeBaron B.	Bristol, R. I.	Oddie, Tasker L.	Reno, Nev.
Culberson, Charles A.	Dallas, Tex.	Overman, Lee Slater	Salisbury, N. C.
Cummins, Albert B.	Des Moines, Iowa.	Owen, Robert L.	Muskogee, Okla.
Curtis, Charles	Topeka, Kans.	Page, Carroll S.	Hyde Park, Vt.
Dial, Nathaniel B.	Laurens, S. C.	Pepper, George Wharton	Philadelphia, Pa.
Dillingham, William P.	Montpelier, Vt.	Phipps, Lawrence C.	Denver, Colo.
Edge, Walter E.	Atlantic City, N. J.	Pittman, Key	Tonopah, Nev.
Elkins, Davis	Morgantown, W. Va.	Poindexter, Miles	Spokane, Wash.
Ernst, Richard P.	Covington, Ky.	Pomerene, Atlee	Canton, Ohio.
Felton, Rebecca Latimer	Cartersville, Ga.	Ransdell, Joseph E.	Lake Providence, La.
Fernald, Bert M.	West Poland, Me.	Reed, David A.	Pittsburgh, Pa.
Fletcher, Duncan U.	Jacksonville, Fla.	Reed, James A.	Kansas City, Mo.
France, Joseph Irwin	Port Deposit, Md.	Robinson, Joseph T.	Little Rock, Ark.
Frelinghuysen, Joseph S.	Raritan, N. J.	Sheppard, Morris	Texarkana, Tex.
George, Walter F.	Vienna, Ga.	Shields, John K.	Knoxville, Tenn.
Gerry, Peter G.	Warwick, R. I.	Shortridge, Samuel M.	San Francisco, Calif.
Glass, Carter	Lynchburg, Va.	Simmons, Furnifold M.	New Bern, N. C.
Gooding, Frank R.	Gooding, Idaho.	Smith, Ellison D.	Florence, S. C.
Hale, Frederick	Portland, Me.	Smoot, Reed	Provo, Utah.
Harrell, John W.	Oklahoma City, Okla.	Spencer, Selden P.	St. Louis, Mo.
Harris, William J.	Cedartown, Ga.	Stanfield, Robert N.	Portland, Oreg.
Harrison, Pat	Gulfport, Miss.	Stanley, A. Owsley	Henderson, Ky.
Heflin, J. Thomas	Lafayette, Ala.	Sterling, Thomas	Vermilion, S. Dak.
Hitchcock, Gilbert M.	Omaha, Nebr.	Sutherland, Howard	Elkins, W. Va.
Johnson, Hiram W.	San Francisco, Calif.	Swanson, Claude A.	Chatham, Va.
Jones, Andrieus A.	East Las Vegas, N. Mex.	Townsend, Charles E.	Jackson, Mich.
Jones, Wesley L.	Seattle, Wash.	Trammell, Park	Lakeland, Fla.
Kellogg, Frank B.	St. Paul, Minn.	Underwood, Oscar W.	Birmingham, Ala.
Kendrick, John B.	Sheridan, Wyo.	Wadsworth, James W., jr.	Groveland, N. Y.
Keyes, Henry W.	Haverhill, N. H.	Walsh, David I.	Fitchburg, Mass.
King, William H.	Salt Lake City, Utah.	Walsh, Thomas J.	Helena, Mont.
Ladd, Edwin F.	Fargo, N. Dak.	Warren, Francis E.	Cheyenne, Wyo.
La Follette, Robert M.	Madison, Wis.	Watson, James E.	Rushville, Ind.
Lenroot, Irvine L.	Superior, Wis.	Watson, Thomas E. <sup>2</sup>	Thomson, Ga.
Lodge, Henry Cabot	Nahant, Mass.	Weller, Ovington E.	Baltimore, Md.
McCormick, Medill	Chicago, Ill.	Williams, John S.	Yazoo City (star route), Miss.
McCumber, Porter J.	Wahpeton, N. Dak.	Willis, Frank B.	Ada, Ohio.

<sup>1</sup> Resigned November 18, 1922.

<sup>2</sup> Died September 26, 1922.





# NAMES AND POST-OFFICE ADDRESSES OF REPRESENTATIVES AND DELEGATES

IN THE  
THIRD SESSION OF THE SIXTY-SEVENTH CONGRESS.

FREDERICK H. GILLET, Speaker, Springfield, Mass.

Name.	Home post office.	Name.	Home post office.
Abernethy, Charles L.	New Bern, N. C.	Byrns, Joseph W.	Nashville, Tenn.
Ackerman, Ernest R.	Plainfield, N. J.	Cable, John L.	Lima, Ohio.
Almon, Edward B.	Tuscumbia, Ala.	Campbell, Guy E.	Crafton, Pa.
Anderson, Sydney	Lanesboro, Minn.	Campbell, Philip P.	Pittsburg, Kans.
Andrew, A. Piatt	Gloucester, Mass.	Cannon, Joseph G.	Danville, Ill.
Andrews, William E.	Hastings, Nebr.	Cantrill, James C.	Georgetown, Ky.
Ansorge, Martin C.	New York City.	Carew, John F.	New York City.
Anthony, Daniel R., jr.	Leavenworth, Kans.	Carter, Charles D.	Ardmore, Okla.
Appleby, T. Frank	Asbury Park, N. J.	Chalmers, William W.	Toledo, Ohio.
Arentz, Samuel S.	Simpson, Nev.	Chandler, Thomas A.	Vinita, Okla.
Aswell, James B.	Natchitoches, La.	Chandler, Walter M.	New York City.
Atkeson, William O.	Butler, Mo.	Chindblom, Carl R.	Chicago, Ill.
Bacharach, Isaac	Atlantic City, N. J.	Christopherson, Charles A.	Sioux Falls, S. Dak.
Bankhead, William B.	Jasper, Ala.	Clague, Frank	Redwood Falls, Minn.
Barbour, Henry E.	Fresno, Calif.	Clark, Frank	Gainesville, Fla.
Barkley, Alben W.	Paducah, Ky.	Clarke, John D.	Fraser, N. Y.
Beck, J. D.	Biroqua, Wis.	Classon, David G.	Oconto, Wis.
Beedy, Carroll L.	Portland, Me.	Clouse, Wynne F.	Cookeville, Tenn.
Begg, James T.	Sandusky, Ohio.	Cockran, W. Bourke	New York City.
Bell, Thomas M.	Gainesville, Ga.	Codd, George P.	Detroit, Mich.
Benham, John S.	Benham, Ind.	Cole, Cyrenus	Cedar Rapids, Iowa.
Bird, Richard E.	Wichita, Kans.	Cole, R. Clint	Findlay, Ohio.
Bixler, Harris J.	Johnsonburg, Pa.	Collier, James W.	Vicksburg, Miss.
Black, Eugene	Clarksville, Tex.	Collins, Ross A.	Meridian, Miss.
Blakeney, Albert A.	Catonsville, Md.	Colton, Don B.	Vernal, Utah.
Bland, Oscar E.	Linton, Ind.	Connally, Tom	Marlin, Tex.
Bland, Schuyler Otis	Newport News, Va.	Connolly, James J.	Philadelphia, Pa.
Blanton, Thomas L.	Abilene, Tex.	Cooper, Henry Allen	Racine, Wis.
Boies, William D.	Sheldon, Iowa.	Cooper, John G.	Youngstown, Ohio.
Bond, Charles G.	Brooklyn, N. Y.	Copley, Ira C.	Aurora, Ill.
Bowers, George M.	Martinsburg, W. Va.	Coughlin, Clarence D.	Wilkes-Barre, Pa.
Bowling, William B.	Lafayette, Ala.	Crago, Thomas S.	Waynesburg, Pa.
Box, John C.	Jacksonville, Tex.	Cramton, Louis C.	Lapeer, Mich.
Brand, Charles H.	Athens, Ga.	Crisp, Charles R.	Americus, Ga.
Brennan, Vincent M.	Detroit, Mich.	Crowther, Frank	Schenectady, N. Y.
Briggs, Clay Stone	Galveston, Tex.	Cullen, Thomas H.	Brooklyn, N. Y.
Britten, Fred A.	Chicago, Ill.	Curry, Charles F.	Sacramento, Calif.
Brooks, Edward S.	York, Pa.	Dale, Porter H.	Island Pond, Vt.
Brooks, Edwin B.	Newton, Ill.	Dallinger, Frederick W.	Cambridge, Mass.
Brown, Joe	Chattanooga, Tenn.	Darrow, George P.	Philadelphia, Pa.
Browne, Edward E.	Waupaca, Wis.	Davis, Charles R.	St. Peter, Minn.
Buchanan, James P.	Brenham, Tex.	Davis, Edwin L.	Tullahoma, Tenn.
Bulwinkle, Alfred L.	Gastonia, N. C.	Deal, Joseph T.	Norfolk, Va.
Burdick, Clark	Newport, R. I.	Dempsey, S. Wallace	Lockport, N. Y.
Burke, William J.	Pittsburgh, Pa.	Denison, Edward E.	Marion, Ill.
Burroughs, Sherman E.	Manchester, N. H.	Dickinson, L. J.	Algona, Iowa.
Burtness, Olger B.	Grand Forks, N. Dak.	Dominick, Fred H.	Newberry, S. C.
Burton, Theodore E.	Cleveland, Ohio.	Doughton, Robert L.	Laurel Springs, N. C.
Butler, Thomas S.	West Chester, Pa.	Dowell, Cassius C.	Des Moines, Iowa.
Byrnes, James F.	Aiken, S. C.	Drane, Herbert J.	Lakeland, Fla.



## LIST OF MEMBERS.

Names and post-office addresses of Members and Delegates of the House of Representatives—Continued.

Name.	Home post office.	Name.	Home post office.
Drewry, Patrick H.	Petersburg, Va.	Huck, Winnefred Mason	Chicago, Ill.
Driver, William J.	Osceola, Ark.	Huddleston, George	Birmingham, Ala.
Dunbar, James W.	New Albany, Ind.	Hudspeth, C. B.	El Paso, Tex.
Dunn, Thomas B.	Rochester, N. Y.	Hukriede, Theodore W.	Warrenton, Mo.
Dupré, H. Garland	New Orleans, La.	Hull, Harry E.	Williamsburg, Iowa.
Dyer, Leonidas C.	St. Louis, Mo.	Humphrey, A. R.	Broken Bow, Nebr.
Echols, Leonard S.	Charleston, W. Va.	Humphreys, Benjamin G.	Greenville, Miss.
Edmonds, George W.	Philadelphia, Pa.	Husted, James W.	Peekskill, N. Y.
Elliott, Richard N.	Connersville, Ind.	Hutchinson, Elijah C.	Trenton, N. J.
Ellis, Edgar C.	Kansas City, Mo.	Ireland, Clifford	Peoria, Ill.
Evans, Robert E.	Dakota City, Nebr.	Jacoway, H. M.	Dardanelle, Ark.
Fairchild, Benjamin L.	Pelham, N. Y.	James, W. Frank	Hancock, Mich.
Fairfield, Louis W.	Angola, Ind.	Jefferis, Albert W.	Omaha, Nebr.
Faust, Charles L.	St. Joseph, Mo.	Jeffers, Lamar	Anniston, Ala.
Favrot, George K.	Baton Rouge, La.	Johnson, Albert	Hoquiam, Wash.
Fenn, E. Hart	Wethersfield, Conn.	Johnson, Ben	Bardstown, Ky.
Fess, Simeon D.	Yellow Springs, Ohio.	Johnson, Paul B.	Hattiesburg, Miss.
Fields, William J.	Olive Hill, Ky.	Johnson, Royal C.	Aberdeen, S. Dak.
Fish, Hamilton, jr.	Garrison, N. Y.	Jones, Evan J.	Bradford, Pa.
Fisher, Hubert F.	Memphis, Tenn.	Jones, Marvin	Amarillo, Tex.
Fitzgerald, Roy G.	Dayton, Ohio.	Kahn, Julius	San Francisco, Calif.
Focht, Benjamin K.	Lewisburg, Pa.	Kearns, Charles C.	Batavia, Ohio.
Fordney, Joseph W.	Saginaw W. S., Mich.	Keller, Oscar E.	St. Paul, Minn.
Foster, Israel M.	Athens, Ohio.	Kelley, Patrick H.	Lansing, Mich.
Frear, James A.	Hudson, Wis.	Kelly, M. Clyde	Braddock, Pa.
Free, Arthur M.	San Jose, Calif.	Kendall, Samuel A.	Meyersdale, Pa.
Freeman, Richard P.	New London, Conn.	Kennedy, Ambrose	Woonsocket, R. I.
French, Burton L.	Moscow, Idaho.	Ketcham, John C.	Hastings, Mich.
Frothingham, Louis A.	Dedham, Mass.	Kiess, Edgar R.	Williamsport, Pa.
Fuller, Charles E.	Belvidere, Ill.	Kincheloe, David H.	Madisonville, Ky.
Fulmer, Hampton P.	Norway, S. C.	Kindred, John J.	Astoria, N. Y.
Funk, Frank H.	Bloomington, Ill.	King, Edward J.	Galesburg, Ill.
Gahn, Harry C.	Cleveland, Ohio.	Kirkpatrick, William H.	Easton, Pa.
Gallivan, James A.	Boston, Mass.	Kissel, John	Brooklyn, N. Y.
Garner, John N.	Uvalde, Tex.	Kitchin, Claude	Scotland Neck, N. C.
Garrett, Daniel E.	Houston, Tex.	Klecza, John O.	Milwaukee, Wis.
Garrett, Finis J.	Dresden, Tenn.	Kline, Ardolph L.	Brooklyn, N. Y.
Gensman, L. M.	Lawton, Okla.	Kline, I. Clinton	Sunbury, Pa.
Gerner, Fred B.	Allentown, Pa.	Knight, Charles L.	Akron, Ohio.
Gifford, Charles L.	Barnstable, Mass.	Knutson, Harold	St. Cloud, Minn.
Gilbert, Ralph	Shelbyville, Ky.	Kopp, William F.	Mount Pleasant, Iowa.
Gillett, Frederick H.	Springfield, Mass.	Kraus, Milton	Peru, Ind.
Glynn, James P.	Winsted, Conn.	Kreider, Aaron S.	Annapolis, Pa.
Goldsbrough, T. Alan	Denton, Md.	Kunz, Stanley H.	Chicago, Ill.
Goodykoontz, Wells	Williamson, W. Va.	Lampert, Florian	Oshkosh, Wis.
Gorman, John J.	Chicago, Ill.	Langley, John W.	Pikeville, Ky.
Gould, Norman J.	Seneca Falls, N. Y.	Lanham, Fritz G.	Fort Worth, Tex.
Graham, George S.	Philadelphia, Pa.	Lankford, William C.	Douglas, Ga.
Graham, William J.	Aledo, Ill.	Larsen, William W.	Dublin, Ga.
Green, William R.	Council Bluffs, Iowa.	Larson, Oscar J.	Duluth, Minn.
Greene, Frank L.	St. Albans, Vt.	Lawrence, Henry F.	Cameron, Mo.
Greene, William S.	Fall River, Mass.	Layton, Caleb R.	Georgetown, Del.
Griest, W. W.	Lancaster, Pa.	Lazaro, Ladislas	Washington, La.
Griffin, Anthony J.	New York City.	Lea, Clarence F.	Santa Rosa, Calif.
Hadley, Lindley H.	Bellingham, Wash.	Leatherwood, Elmer O.	Salt Lake City, Utah.
Hammer, William C.	Asheboro, N. C.	Lee, Gordon	Chickamauga, Ga.
Hardy, Guy U.	Canon City, Colo.	Lee, Warren I.	Brooklyn, N. Y.
Hardy, Rufus	Corsicana, Tex.	Lehlbach, Frederick R.	Newark, N. J.
Harrison, Thomas W.	Winchester, Va.	Lineberger, Walter F.	Long Beach, Calif.
Haugen, Gilbert N.	Northwood, Iowa.	Linthicum, J. Charles	Baltimore, Md.
Hawes, Harry B.	St. Louis, Mo.	Little, Edward C.	Kansas City, Kans.
Hawley, Willis C.	Salem, Oreg.	Logan, W. Turner	Charleston, S. C.
Hayden, Carl	Phoenix, Ariz.	London, Meyer	New York City.
Hays, Edw. D.	Cape Girardeau, Mo.	Longworth, Nicholas	Cincinnati, Ohio.
Henry, Lewis	Elmira, N. Y.	Lowrey, B. G.	Blue Mountain, Miss.
Herrick, Manuel	Perry, Okla.	Luce, Robert	Waltham, Mass.
Hersey, Ira G.	Houlton, Me.	Luhning, Oscar R.	Evansville, Ind.
Hickey, Andrew J.	Laporte, Ind.	Lyon, Homer L.	Whiteville, N. C.
Hicks, Frederick C.	Port Washington, N. Y.	McArthur, Clifton N.	Portland, Oreg.
Hill, John Philip	Baltimore, Md.	McClintic, James V.	Snyder, Okla.
Himes, Joseph H.	Canton, Ohio.	McCormick, Washington J.	Missoula, Mont.
Hoch, Homer	Marion, Kans.	McDuffie, John	Monroeville, Ala.
Hogan, Michael J.	Brooklyn, N. Y.	McFadden, Louis T.	Canton, Pa.
Hooker, James M.	Stuart, Va.	MacGregor, Clarence	Buffalo, N. Y.

## LIST OF MEMBERS.

7

Names and post-office addresses of Members and Delegates of the House of Representatives—Continued.

Name.	Home post office.	Name.	Home post office.
McKenzie, John C.	Elizabeth, Ill.	Reece, B. Carroll	Elizabethtown, Tenn.
MacLafferty, James H.	Oakland, Calif.	Reed, Daniel A.	Dunkirk, N. Y.
McLaughlin, James C.	Muskegon, Mich.	Reed, Stuart F.	Clarksburg, W. Va.
McLaughlin, Joseph	Philadelphia, Pa.	Rhodes, Marion E.	Potosi, Mo.
McLaughlin, Melvin O.	York, Nebr.	Ricketts, Edwin D.	Logan, Ohio.
McPherson, Isaac V.	Aurora, Mo.	Riddick, Carl W.	Lewistown, Mont.
McSwain, John J.	Greenville, S. C.	Riordan, Daniel J.	New York City.
Madden, Martin B.	Chicago, Ill.	Roach, Sidney C.	Linn Creek, Mo.
Magee, Walter W.	Syracuse, N. Y.	Robertson, Alice M.	Muskogee, Okla.
Maloney, Robert S.	Lawrence, Mass.	Robson, John M.	Barbourville, Ky.
Mann, James R. <sup>1</sup>	Chicago, Ill.	Rodenberg, William A.	East St. Louis, Ill.
Mansfield, Joseph J.	Columbus, Tex.	Rogers, John Jacob	Lowell, Mass.
Mapes, Carl E.	Grand Rapids, Mich.	Rose, John M.	Johnstown, Pa.
Martin, Whitnell P.	Thibodaux, La.	Rosenbloom, Benjamin L.	Wheeling, W. Va.
Mead, James M.	Buffalo, N. Y.	Rosdale, Albert B.	Bronx, N. Y.
Merritt, Schuyler	Stamford, Conn.	Rouse, Arthur B.	Burlington, Ky.
Michaelson, M. Alfred	Chicago, Ill.	Rucker, William W.	Keytesville, Mo.
Michener, Earl C.	Adrian, Mich.	Ryan, Thomas J.	New York City.
Miller, John F.	Seattle, Wash.	Sabath, Adolph J.	Chicago, Ill.
Mills, Ogden L.	New York City.	Sanders, Archie D.	Stafford, N. Y.
Millsbaugh, Frank C.	Canton, Mo.	Sanders, Everett	Terre Haute, Ind.
Mondell, Frank W.	Newcastle, Wyo.	Sanders, Morgan G.	Canton, Tex.
Montague, Andrew J.	Richmond, Va.	Sandlin, John N.	Minden, La.
Montoya, Nestor	Albuquerque, N. Mex.	Schall, Thomas D.	Minneapolis, Minn.
Moore, Allen F.	Monticello, Ill.	Scott, Frank D.	Alpena, Mich.
Moore, C. Ellis	Cambridge, Ohio.	Scott, Lon A.	Savannah, Tenn.
Moore, R. Walton	Fairfax, Va.	Sears, William J.	Kissimmee, Fla.
Moore, Merrill	Indianapolis, Ind.	Shaw, Guy L.	Beardstown, Ill.
Morgan, William M.	Newark, Ohio.	Shelton, Samuel A.	Marshfield, Mo.
Morin, John M.	Pittsburgh, Pa.	Shreve, Milton W.	Erie, Pa.
Mott, Luther W.	Oswego, N. Y.	Siegel, Isaac	New York City.
Mudd, Sydney E.	La Plata, Md.	Sinclair, James H.	Kenmare, N. Dak.
Murphy, Frank	Steubenville, Ohio.	Sinnott, Nicholas J.	The Dalles, Oreg.
Nelson, Adolphus P.	Grantsburg, Wis.	Sisson, Thomas U.	Winona, Miss.
Nelson, John E.	Augusta, Me.	Slomp, C. Bascom	Big Stone Gap, Va.
Nelson, John M.	Madison, Wis.	Smith, Addison T.	Twin Falls, Idaho.
Newton, Cleveland A.	St. Louis, Mo.	Smith, J. M. C.	Charlotte, Mich.
Newton, Walter H.	Minneapolis, Minn.	Smithwick, John H.	Pensacola, Fla.
Nolan, John I. <sup>2</sup>	San Francisco, Calif.	Snell, Bertrand H.	Potsdam, N. Y.
Norton, Miner G.	Cleveland, Ohio.	Snyder, Homer P.	Little Falls, N. Y.
O'Brien, Charles F. X.	Jersey City, N. J.	Speaks, John C.	Columbus, Ohio.
O'Connor, James	New Orleans, La.	Sproul, Elliott W.	Chicago, Ill.
Ogden, Charles F.	Louisville, Ky.	Stafford, William H.	Milwaukee, Wis.
Oldfield, William A.	Batesville, Ark.	Steagall, Henry B.	Ozark, Ala.
Oliver, William B.	Tuscaloosa, Ala.	Stedman, Charles M.	Greensboro, N. C.
Olpp, Archibald E.	West Hoboken, N. J.	Steenerson, Halvor	Crookston, Minn.
Osborne, Henry Z.	Los Angeles, Calif.	Stephens, A. E. B.	North Bend, Ohio.
Overstreet, James W.	Sylvania, Ga.	Stevenson, William F.	Cheraw, S. C.
Paige, Calvin D.	Southbridge, Mass.	Stiness, Walter R.	Cowesett, R. I.
Park, Frank	Sylvester, Ga.	Stoll, Philip H.	Kingstree, S. C.
Parker, James S.	Salem, N. Y.	Strong, James G.	Blue Rapids, Kans.
Parker, Richard Wayne	Newark, N. J.	Strong, Nathan L.	Brookville, Pa.
Parks, Tilman B.	Hope, Ark.	Sullivan, Christopher D.	New York City.
Patterson, Francis F., jr.	Camden, N. J.	Summers, John W.	Walla Walla, Wash.
Patterson, Roscoe O.	Springfield, Mo.	Summers, Hatton W.	Dallas, Tex.
Perkins, Randolph	Woodcliff Lake, N. J.	Swank, F. B.	Norman, Okla.
Perlman, Nathan D.	New York City.	Sweet, Burton E.	Waverly, Iowa.
Petersen, Andrew N.	Brooklyn, N. Y.	Swing, Philip D.	El Centro, Calif.
Porter, Stephen G.	Pittsburgh, Pa.	Tague, Peter F.	Boston, Mass.
Pou, Edward W.	Smithfield, N. C.	Taylor, Chester W.	Pine Bluff, Ark.
Pringey, J. C.	Chandler, Okla.	Taylor, Edward T.	Glenwood Springs, Colo.
Purnell, Fred S.	Attica, Ind.	Taylor, Herbert W.	Newark, N. J.
Quin, Percy E.	McComb, Miss.	Taylor, J. Will.	Lafollette, Tenn.
Radcliffe, Amos H.	Paterson, N. J.	Temple, Henry W.	Washington, Pa.
Rainey, John W.	Chicago, Ill.	Ten Eyck, Peter G.	Albany, N. Y.
Rainey, Lilius B.	Gadsden, Ala.	Thomas, Robert Y., jr.	Central City, Ky.
Raker, John E.	Alturas, Calif.	Thompson, Charles J.	Defiance, Ohio.
Ramseyer, C. William	Bloomfield, Iowa.	Thorpe, R. H.	Lincoln, Nebr.
Rankin, John E.	Tupelo, Miss.	Tillman, John N.	Fayetteville, Ark.
Ransley, Harry C.	Philadelphia, Pa.	Tilson, John Q.	New Haven, Conn.
Rayburn, Sam	Bonham, Tex.	Timberlake, Charles B.	Sterling, Colo.
Reber, John	Pottsville, Pa.	Tincher, J. N.	Medicine Lodge, Kans.

<sup>1</sup> Died November 30, 1922.<sup>2</sup> Died November 18, 1922.



## LIST OF MEMBERS.

*Names and post-office addresses of Members and Delegates of the House of Representatives—Continued.*

Name.	Home post office.	Name.	Home post office.
Tinkham, George Holden	Boston, Mass.	Webster, J. Stanley	Spokane, Wash.
Towner, Horace M.	Corning, Iowa.	Wheeler, Loren E.	Springfield, Ill.
Treadway, Allen T.	Stockbridge, Mass.	White, Hays B.	Mankato, Kans.
Tucker, Henry St. George	Lexington, Va.	White, Wallace H., jr.	Lewiston, Me.
Turner, Clarence W.	Waverly, Tenn.	Williams, Guinn	Decatur, Tex.
Tyson, John R.	Montgomery, Ala.	Williams, Thomas S.	Louisville, Ill.
Underhill, Charles L.	Somerville, Mass.	Williamson, William	Oacoma, S. Dak.
Upshaw, William D.	Atlanta, Ga.	Wilson, Riley J.	Harrisonburg, La.
Vaile, William N.	Denver, Colo.	Wingo, Otis	De Queen, Ark.
Vare, William S.	Philadelphia, Pa.	Winslow, Samuel E.	Worcester, Mass.
Vestal, Albert H.	Anderson, Ind.	Wise, James W.	Fayetteville, Ga.
Vinson, Carl	Milledgeville, Ga.	Wood, William R.	La Fayette, Ind.
Voigt, Edward	Sheboygan, Wis.	Woodruff, Roy O.	Bay City, Mich.
Volk, Lester D.	Brooklyn, N. Y.	Woods, James P.	Roanoke, Va.
Volstead, Andrew J.	Granite Falls, Minn.	Woodyard, Harry C.	Spencer, W. Va.
Walters, Anderson H.	Johnstown, Pa.	Wright, William C.	Newnan, Ga.
Ward, Charles B.	DeBruce, N. Y.	Wurzbach, Harry M.	Seguin, Tex.
Ward, Hallett S.	Washington, N. C.	Wyant, Adam M.	Greensburg, Pa.
Wason, Edward H.	Nashua, N. H.	Yates, Richard	Springfield, Ill.
Watson, Henry W.	Langhorne, Pa.	Young, George M.	Valley City, N. Dak.
Weaver, Zebulon	Asheville, N. C.	Zihlman, Frederick N.	Cumberland, Md.

## DELEGATES.

Baldwin, Henry A.	Paia, Hawaii.	Sutherland, Dan A.	Juneau, Alaska.
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## RESIDENT COMMISSIONERS.

Davila, Felix Cordova	Manati, P. R.	Gabaldon, Isauro	Nueva Ecija, P. I.
De Veyra, Jaime O.	Manila, P. I.		

# INDEX TO THE PROCEEDINGS.

**ABERNETHY, CHARLES L.** (*a Representative from North Carolina*).  
 Attended, 5.  
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HISTORY  
OF  
BILLS AND RESOLUTIONS.

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HISTORICAL  
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- S. J. Res. 246—Providing for the delivery of mail notwithstanding failure to provide receptacles therefor.  
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- S. J. Res. 247—Providing funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 5, 6, and 7, 1923, and for other purposes.  
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- S. Res. 357—Informing the House of Representatives that a quorum of the Senate is assembled, and that the Senate is ready to proceed to business.  
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- S. Res. 358—Appointing a committee to join a like committee of the House of Representatives to inform the President of the United States that a quorum of each House is assembled, and that Congress is ready to receive any communication he may be pleased to make.  
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- S. Res. 359—Fixing the hour of daily meeting of the Senate.  
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- S. Res. 360—Relative to the death of the Hon. Thomas E. Watson, late a Senator from the State of Georgia.  
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- S. Res. 366—Directing the Secretary of the Senate to pay to the Hon. Rebecca Latimer Felton the amount due her as a Senator from the State of Georgia from November 8 to November 21, 1922.  
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- H. R. 10144—Conveying the peninsula of Presque Isle, Erie, Pa., to the State of Pennsylvania, its original owners, for public park purposes.  
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- H. R. 12172—To regulate pawnbrokers and their business in the District of Columbia.  
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- H. R. 12723—Granting a pension to Lewis Maple.  
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- H. R. 12815—To pay adjusted compensation in three years in cash to veterans of the World War, to provide money to pay such adjusted compensation, to amend the revenue act of 1921, and for other purposes.  
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- H. R. 12816—To provide adjusted compensation for veterans of the World War, through a tax on the manufacture, importation, and sale of beer and light wines, and for other purposes.  
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- H. R. 12820—To prohibit the unauthorized wearing, manufacture, or sale of medals and badges awarded by the War Department.  
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- H. R. 12822—To enlarge and improve the post-office building at Camden, Ark.  
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- H. R. 12823—To provide for the establishment of motor-truck mail routes to facilitate the collection and delivery of food products.  
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- H. R. 12827—Declaring an embargo on anthracite coal.  
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- H. R. 12828—To create a department of physical training at the United States Military Academy.  
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- H. R. 12830—To forbid the payment of claims by the United States Shipping Board and/or the United States Shipping Board Emergency Fleet Corporation unless such claims are filed within a certain time.  
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- H. R. 12831—To authorize the construction of a railroad bridge across the Colorado River near Yuma, Ariz.  
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- H. R. 12849—Granting an increase of pension to James H. Barker.  
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- H. R. 12857—Granting a pension to Sarah E. Campbell.  
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- H. R. 12858—Granting a pension to Litha I. Smith.  
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- H. R. 12859—To provide for certain expenses incident to the third session of the Sixty-seventh Congress.  
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- H. R. 12860—Amending section 1 of the interstate commerce act.  
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- H. R. 12861—Providing for the erection of a monument at Cowpens battle ground, Cherokee County, S. C., commemorative of Gen. Daniel Morgan and those who participated in the Battle of Cowpens on the 17th day of January, 1781.  
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- H. R. 12862—To pension soldiers and sailors of the World War.  
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- H. R. 12863—For the purchase of a site and the erection of a building thereon at Warren, Ark.  
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- H. R. 12864—To provide for the purchase of a site and the erection of a new public building at Pleasantville, N. J.  
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- H. R. 12865—Granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars, and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows.  
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- H. R. 12875—Granting a pension to Tracey M. Halley.  
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- H. R. 12876—Granting a pension to Elizabeth Hawthorne.  
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- H. R. 12879—Granting a pension to Ella Knowlton.  
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- H. R. 12890—For the relief of Dr. George E. Doty.  
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- H. R. 12891—Granting a pension to John F. Kilbride.  
Mr. Volk; Committee on Pensions, 22.
- H. R. 12892—Granting the consent of Congress to the State of Illinois, the county of Cook, or the city of Chicago, separately or jointly, their successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Little Calumet River, in the State of Illinois.  
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- H. R. 12893—Providing for the purchase of a site and the erection thereon of a public building at Gloucester City, N. J., and for other purposes.  
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- H. R. 12894—For the purchase of a site and the erection thereon of a public building at Magnolia, Ark.  
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- H. R. 12895—Providing for the purchase of a site and the erection thereon of a public building at Menasha, Wis.  
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- H. R. 12910—Granting a pension to Martha White.  
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- H. R. 12915—For the examination and survey of Highcliff Harbor, Lake Winnebago, Wis.  
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- H. R. 12998—To create a commission to recommend to Congress amendments necessary in order to simplify the pleading, practice, and procedure in certain Federal courts. Mr. Volstead; Committee on the Judiciary, 188.
- H. R. 12999—To permit public access to national cemeteries on armistice day, and for other purposes. Mr. Wingo; Committee on Military Affairs, 188.
- H. R. 13000—Granting the consent of Congress to the city of Sioux City, Iowa, and to Union County, in the State of South Dakota, to construct, maintain, and operate a bridge and approaches thereto across the Big Sioux River at a point 2½ miles north of the mouth of said river, between section 14, township 89, range 48, Woodbury County, Iowa, and section 15, township 89, range 48, Union County, S. Dak. Mr. Boies; Committee on Interstate and Foreign Commerce, 188.
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H. R. 13110—Authorizing the Secretary of the Navy, in his discretion, to deliver to the Daughters of the American Revolution of the State of South Carolina the silver service which was used upon the battleship South Carolina.  
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Mr. Taylor of Tennessee; Committee on Invalid Pensions, 440.

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H. J. Res. 270—Authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.  
Debated in Senate, 16, 30, 48, 59, 117-131, 277, 283-288.—Recommended to the Committee on Finance, 288.

H. J. Res. 388—To repeal an appropriation for payment of claims for damages to and loss of private property, included in the deficiency act approved September 22, 1922.  
Mr. Madden; Committee on Appropriations, 7.

H. J. Res. 389—Authorizing the Interstate Commerce Commission to give priority in car service in the interest of equitable distribution of building materials intended for immediate consumption.  
Mr. Zihlman; Committee on Interstate and Foreign Commerce, 7.

H. J. Res. 390—Proposing an amendment to the Constitution of the United States.  
Mr. Christopherson; Committee on Election of President, Vice President, and Representatives in Congress, 22.

H. J. Res. 391—Directing the Public Printer to furnish, upon application, to each Senator elect, each Representative elect, and each Delegate elect a copy of each issue of the Congressional Record and indexes.  
Mr. Johnson of Washington; Committee on Printing, 116.

H. J. Res. 392—Providing for the delivery of mail notwithstanding failure to provide receptacles therefor.  
Mr. Rouse; Committee on the Post Office and Post Roads, 189.

H. J. Res. 393—Providing for the appointment of a joint committee of Congress to investigate the holding of initiations and ceremonies in the United States Capitol and other public buildings by the Ku-Klux Klan.  
Mr. Rainey of Illinois; Committee on Rules, 189.

H. J. Res. 394—Limiting the operation of the immigration act of May 19, 1921, as amended by joint resolution of May 11, 1922.  
Mr. Fairchild; Committee on Immigration and Naturalization, 189.

H. J. Res. 395—Authorizing the Director of the United States Veterans' Bureau to continue the operation of United States Veterans' Hospital No. 36.  
Mr. Underhill; Committee on Interstate and Foreign Commerce, 324.

H. J. Res. 396—Providing funds for the maintenance of public order and the protection of life and property during the convention of the Imperial Council of the Mystic Shrine in the District of Columbia June 5, 6, and 7, 1923, and for other purposes.  
Mr. Focht; Committee on the District of Columbia, 324.

H. J. Res. 397—Providing for the construction of a memorial bridge across the Delaware River at the point where Washington and his troops crossed said stream on the night of December 25 and the day of December 26, 1776.  
Mr. Hutchinson; Committee on the Library, 387.

H. J. Res. 398—To donate to the Veterans of Foreign Wars of the United States certain war trophies captured by or surrendered to the armed forces of the United States in the World War.  
Mr. Crowther; Committee on Military Affairs, 387.

H. J. Res. 399—Supplementing the trading with the enemy act.  
Mr. Sabath; Committee on Interstate and Foreign Commerce, 437.

## HOUSE CONCURRENT RESOLUTIONS. 72-73

H. Con. Res. 72—For a joint meeting of the two Houses on the 21st day of November, 1922, to receive such communication as the President of the United States shall be pleased to make to them.  
Considered and agreed to, 18.—Senate concurs, 9.

H. Con. Res. 73—Relative to closing the present session of Congress.  
Considered and agreed to, 472.—Senate concurs, 452.

## HOUSE RESOLUTIONS.

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H. Res. 440—Concerning appointment of a committee to wait upon the President.  
Mr. Mondell; agreed to, 5.

H. Res. 441—Directing Clerk of House to inform Senate that the House is ready to proceed with business.  
Mr. Madden; agreed to, 5.

H. Res. 442—Fixing hour for daily meeting of House.  
Mr. Campbell of Kansas, and agreed to, 5.

H. Res. 443—Concerning the death of Hon. Thomas E. Watson, late a Senator from the State of Georgia.  
Mr. Crisp, and agreed to, 6.



- H. Res. 444—Concerning the death of Hon. Charles R. Connell, late a Representative from Pennsylvania.  
Mr. Butler, and agreed to, 6.
- H. Res. 445—Concerning the death of Hon. John I. Nolan, late a Representative from California.  
Mr. Kahn, and agreed to, 6.
- H. Res. 446—For the immediate consideration of H. R. 12817.  
Mr. Campbell of Kansas; Committee on Rules, 22.—Reported back (H. Rept. 1258), 37.—Debated, 37-44.—Agreed to, 44.
- H. Res. 447—Authorizing the Clerk of the House to pay out of the contingent fund of the House to Frederic H. Blackford and Elizabeth F. Mullen one month's salary as clerks to the late Hon. Charles R. Connell.  
Mr. Butler; Committee on Accounts, 116.
- H. Res. 448—Directing the Federal Trade Commission to report to the House the cost of manufacturing and producing calcium arsenate, and whether the production and price of calcium arsenate are controlled by any unlawful combination.  
Mr. Wise; Committee on Interstate and Foreign Commerce, 116.
- H. Res. 449—Expressing the sincere wish and desire of the United States of America that the obligations of the signatories of the treaty of Sevres be observed by all signatories.  
Mr. Ten Eyck; Committee on Foreign Affairs, 116.
- H. Res. 450—Electing Charles L. Abernethy and Clarence W. Turner members of certain committees.  
Mr. Garner, and agreed to, 115.
- H. Res. 451—Directing the Postmaster General to transmit to the House of Representatives certain information relative to the manufacture of covers of door slots and mail receptacles for use of the United States City Delivery Service.  
Mr. Rouse; Committee on the Post Office and Post Roads, 189.
- H. Res. 452—Providing for six months' salary to be paid to the widow of Granville C. Freeman.  
Mr. Curry; Committee on Accounts, 271.
- H. Res. 453—For extra compensation for clerk in the folding room during Sixty-seventh Congress.  
Mr. Kelly of Pennsylvania; Committee on Accounts, 387.
- H. Res. 454—Requesting information from the Secretary of War in connection with recent credits to foreign powers.  
Mr. Elliott; Committee on Military Affairs, 387.
- H. Res. 455—Expressing the sorrow of the House at the death of Hon. James R. Mann.  
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- H. Res. 456—Authorizing the Clerk of the House to pay out of the contingent fund of the House to Florence A. Donnelly and Edna Radcliffe one month's salary as clerks to the late Hon. James R. Mann.  
Mr. Ireland; Committee on Accounts, 440.
- H. Res. 457—Requesting the Secretary of the Navy to furnish to the House of Representatives certain information regarding the scrapping of vessels of war.  
Mr. Frothingham; Committee on Naval Affairs, 440.